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**DISASTER MANAGEMENT AND LAND
MANAGEMENT IN INDIAN RAILWAYS**

[Action Taken by the Government on the Observations/
Recommendations of the Committee contained in their
Sixteenth Report (15th Lok Sabha)]

MINISTRY OF RAILWAYS

**PUBLIC ACCOUNTS
COMMITTEE
2011-2012**

FIFTIETH REPORT

FIFTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

FIFTIETH REPORT

PUBLIC ACCOUNTS COMMITTEE (2011-2012)

(FIFTEENTH LOK SABHA)

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Committee contained in their Sixteenth Report
(15th Lok Sabha)]

MINISTRY OF RAILWAYS

Presented to Lok Sabha on 28 December, 2011

Laid in Rajya Sabha on 28 December, 2011



LOK SABHA SECRETARIAT
NEW DELHI

December, 2011/Pausa, 1933 (Saka)

PAC No. 1959

Price: ₹ 120.00

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Fourteenth Edition) and printed by the General Manager, Government of India Press, Minto Road, New Delhi-110 002.

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2011-2012)

Dr. Murli Manohar Joshi — *Chairman*

MEMBERS

Lok Sabha

2. Shri Anandrao Vithoba Adsul
3. Dr. Baliram
4. Shri Sandeep Dikshit
5. Shri Anant Kumar Hegde
6. Shri Bhartruhari Mahtab
7. Shri Shripad Yesso Naik
8. Shri Sanjay Nirupam
9. Shri Jagdambika Pal
10. Dr. Kavuru Sambasiva Rao
11. Shri Adhi Sankar
12. Kunwar Rewati Raman Singh
13. Shri K. Sudhakaran
14. Dr. M. Thambidurai
15. Dr. Girija Vyas

Rajya Sabha

16. Shri Tariq Anwar
17. Shri Prasanta Chatterjee
18. Shri Naresh Gujral
19. Shri Prakash Javadekar
20. Shri Satish Chandra Misra
- *21. Shri J.D. Seelam
22. Prof. Saif-ud-Din Soz

SECRETARIAT

1. Shri Devender Singh — *Joint Secretary*
2. Shri D.R. Mohanty — *Deputy Secretary*

* Elected *w.e.f.* 29th August, 2011 *vide* the vacancy occurred *vice* Smt. Jayanti Natarajan appointed Minister *w.e.f.* 12th July, 2011.

INTRODUCTION

I, the Chairman, Public Accounts Committee (2011-12), having been authorised by the Committee, do present this Fiftieth Report (Fifteenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Sixteenth Report (Fifteenth Lok Sabha) on '**Disaster Management and Land Management in Indian Railways**'.

2. The Sixteenth Report was presented to Lok Sabha/laid in Rajya Sabha on 29th April, 2010. Replies of the Government to the Observations/Recommendations contained in the Report were received on 24th February, 2011. The Public Accounts Committee considered and adopted this Report at their sitting held on 21st December, 2011. Minutes of the sittings are given at *Appendix I*.

3. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

5. An analysis of the action taken by the Government on the Observations/Recommendations contained in the Sixteenth Report (Fifteenth Lok Sabha) is given at *Appendix II*.

NEW DELHI;
23 December, 2011

02 Pausa, 1933 (*Saka*)

DR. MURLI MANOHAR JOSHI
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

This Report of the Public Accounts Committee deals with Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Sixteenth Report (Fifteenth Lok Sabha) on "**Disaster Management and Land Management in Indian Railways**" based on Chapters I & II of the C&AG Report No. 8 of 2008.

2. The Sixteenth Report (Fifteenth Lok Sabha) was presented to Lok Sabha/laid in Rajya Sabha on 29th April, 2010. It contained Twenty four Observations/Recommendations. Action Taken Notes have been received from the Ministry of Railways in respect of all the Observations/Recommendations and are broadly categorized as follows:

- (i) Observations/Recommendations, which have been accepted by the Government:

Recommendation Paragraph Nos. 3-11, 14-20 & 22-24

Total: 19

Chapter II

- (ii) Observations/Recommendations, which the Committee do not desire to pursue in view of the replies received from the Government.

Recommendation Paragraph Nos. —Nil—

Total: Nil

Chapter III

- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which required reiteration:

Recommendation Para Nos. 1, 2, 12, 13 & 21

Total: 5

Chapter IV

- (iv) Observations/Recommendations in respect of which the Government have furnished interim replies:

Recommendation Paragraph Nos. —Nil—

Total: Nil

Chapter V

3. The Sixteenth Report on "**Disaster Management and Land Management in Indian Railways**" was based on Chapters I and II of the C&AG Report No. 8 of 2008. The detailed examination of the subject by the Committee had revealed various shortcomings/lapses like delay in the submission of remedial/corrective ATNs on the Audit Paragraphs; failure in ensuring timely dispatch of the essential rescue and relief equipment for the accident victims; inadequate security and surveillance mechanism in Railway Stations; lack of proper training and expertise in running/driving trains and handling sophisticated equipment causing accidents; slow pace of manning the unmanned level crossings; non-formation of Land Management Cells in many Zones and Divisions of the Indian Railways; delay in acquisition and mutation of land; improper maintenance of land records in various Zones and Divisions; non-erection of boundary walls around the vacant Railway land to prevent encroachment and failure to harness the vast land resources through prudent and result oriented development. The Committee had accordingly given their Observations/Recommendations in the Sixteenth Report.

4. The Action Taken Notes furnished by the Ministry of Railways to each of the Observation/Recommendation of the Committee contained in their Sixteenth Report have been reproduced in the relevant Chapters of this Report. The Committee will now deal with action taken by the Government on some of their Observations/Recommendations which either need reiteration or merit comments.

I. DELAY IN SUBMISSION OF REMEDIAL ATNs

Recommendation (Para Nos. 1 and 2)

5. Taking note of 481 Remedial/Corrective Action Taken Notes on various Audit paragraphs pending with the Ministry of Railways as on February, 2010, the Committee in their Sixteenth Report had opined that the existing mechanism/system put in place for preparation/submission of the ATNs needed to be streamlined/overhauled so as to accord due importance to the Audit Paras and facilitate submission of the ATNs within the prescribed time limit of four months. The Committee had further recommended that the Ministry should link up the Railway Board Headquarters with all the Zones, Divisions and Production Units through various means of modern communication devices for facilitating effective and efficient inter-Railways data transfer, processing etc. for timely submission of Remedial/Corrective Action Taken Notes.

6. The Ministry of Railways in their Action Taken Notes have stated as under:—

"At present, a total of 405 paras pertaining to 1995-96 to 2007-08 are pending with the Ministry. All out efforts are being made to finalise these paras at the earliest. Out of these, 11 paras are under final stages and will be sent to Monitoring Cell shortly after Hindi translation.

Ministry of Railways is fully aware of the seriousness of the matter and strives hard for expeditious disposal of the Audit Paras. The increase in the number of paras from 362 in September, 2009 to 481 in February, 2010 is due to inclusion of 172 new paras pertaining to C&AG's Report of 2008-09 which was presented to Parliament on 24.8.2009. This figure of 481 has now come down to 406 paras as on 30.6.2010. Finalisation of 75 paras in just 4 months indicates the weightage

being given to Audit Para in this Ministry. Further 11 paras will be sent shortly to Monitoring Cell after Hindi translation. Disposal of pending ATNs has been included as one of the Agenda items in monthly Board Meetings and will be reviewed at the Chairman, Railway Board level. It is assured that the position will improve with close monitoring".

The Ministry have further stated as follows:—

"Since as many as 406 paras were still pending with the Ministry as on 30th June, 2010. The Committee are not impressed with the Ministry's statement that finalization of 75 paras in just four months indicates the weightage being given to the Audit Paras. Moreover, the Ministry, in their own interest, ought to give weightage to the Audit Paras so that the shortcomings pointed out by the Audit are removed and the overall performance of the Ministry is improved. Every year new Audit paras are bound to pour in and if appropriate and effective measures are not taken in time to finalise and dispose them of the pendency would be too huge to handle."

7. The Committee are dissatisfied to note the tardy rate of settlement of Audit observation since out of 406 paras only 75 Audit paras could be settled over the period of four months. This is a telling commentary on the financial administration of the Railways and it belies the claim that they attach weightage to the early settlement of Audit Observations. Let the Ministry note that it would be in their own interest and their financial administration would inspire confidence if they attach due importance to the Audit Observations and take prompt remedial action leading to further improved functioning of the Railways. On the contrary, delay in taking remedial action will have a spiralling effect and lead to accumulation of more Audit Observations in the succeeding years. Further, considering the huge operations of the Railways over a vast geographical spread, it is all the more imperative that the Railways modernize their data maintenance and information management system, besides streamlining/overhauling the existing mechanism for preparation and submission of Remedial/Corrective Action Taken Notes on Audit Paras within the prescribed time limit of four months. The Committee should like to be apprised of the definite time line for the remedial/corrective action to be taken on the remainder 406 Audit paras and a more efficient and effective monitoring mechanism devised to resolve them. The Committee desire that the progress in the disposal of pending Audit paras be intimated to them from time to time.

II. FAILURE IN TIMELY DISPATCH OF RESCUE/RELIEF EQUIPMENT

Recommendation (Para No. 6)

8. In their earlier Report, the Committee had noted that rescue and relief measures during the first hour of train accidents, termed as the 'Golden Hour' was crucial in increasing the survival chances of the victims. But observing the utter failure of the Indian Railways in ensuring timely dispatch of the essential rescue and relief equipment within the 'Golden Hour' in most of the major train accidents, the Committee had impressed upon the Railways to identify the strategic locations and train junctions on all the vulnerable routes and gather all the necessary relief items and equipment at

those locations/junctions in such a way that those were made available to the accident site within the 'Golden Hour' by any convenient means of transport.

9. The Ministry in their Action Taken Notes have stated as follows:—

"With the enactment of the Disaster Management Act, 2005 which envisages participation by all stake holders based on their expertise, the golden hour *i.e.* first hour after the accident is generally managed by the few on board railway staff, railway staff working at the nearby areas, unaffected train passengers, local police and fire brigade, local hospitals and doctors, other relief rescue workers in the nearby areas. Depending on the location of the accident, Railways ARMVs are seldom able to reach the site of accident within the golden hour considering the facts that the same are rail mounted and located at stations where railways have suitable trained staff and their movement to the site of accident is also dependent on their distance from site as also on several other factors. Keeping the above in view, zonal railways are coordinating with the non-railway, Government/non-Government resources available with various agencies so that the same can be requisitioned immediately to help the affected persons. This information has been made part of the Disaster Management plans of the zonal Railways."

10. The Committee note that the Ministry has conceded that depending on the location of the accident, Railway ARMVs are seldom able to reach the accident site within the 'Golden Hour' for a variety of reasons. It is precisely for such unconscionable delays that the Committee, in their earlier Report, had recommended that strategic locations and train junctions should be identified on all the vulnerable routes and requisite rescue and relief materials/ equipment stationed in these locations to facilitate instant provision of requisite relief to the accident victims within the 'Golden Hour'. The Committee, however, note that the Ministry's reply is conspicuously silent how the Zonal Railways are coordinating with the non-railway, Government/Non-Government organizations for pooling the resources available with various agencies to press urgent rescue and relief to the affected persons. The Committee recommend that the Ministry of Railways (Railway Board) strengthen and intensify its monitoring mechanism and ask for periodical reports from the Zonal Railways to ensure that they coordinate effectively with various Government/Non-Government Organizations for providing the much needed help and succour to the accident victims within the 'Golden Hour'. The 11th July, 2006 serial blasts in seven local trains in Mumbai, where the Accident Relief Medical Vans (ARMVs) were sent by the Railways, after all the victims had already been shifted to the hospitals, should act as a wake up call for the Railways. The Committee hardly need to emphasise that the incident should spur the Railways to be in a state of preparedness to meet such accidents in accordance with the provisions contained in the Disaster Management Act, 2005. The Committee would like to be apprised of the mechanism put in place to rush the much needed relief to the victims of accidents within the 'Golden Hour' and the steps taken to test the efficacy of such mechanism.

III. SLOW PACE OF THE UPGRADATION OF THE EXISTING UNMANNED LEVEL CROSSINGS

Recommendation (Para No.12)

11. The Committee in their Sixteenth Report had observed that train accidents at unmanned level crossing remained very high, being the second highest after derailments, because as many as 16,976 level crossings, constituting about 50 per cent of the total number of 34,220 level crossings in the country were still unmanned. Observing the slow pace of manning the unmanned level crossings reportedly due to fund constraints, the Committee had impressed upon the Railways to quicken the pace by undertaking a proper survey/assessment and the identification of the most accident-prone sites and also by exploring the avenues for private sector participation or other revenue generating modalities to help finance the upgradation. The Committee had further urged upon the Railways to forge arrangements for harnessing active cooperation and participation of the stakeholders especially the State Governments and the District Authorities in their efforts to appropriately man the unmanned level crossings.

12. The Ministry of Railways in their Action Taken Notes have stated as under:—

"Ministry of Railways have a comprehensive Policy on reducing vulnerability at level crossings. On this basis Zonal Railways have been advised to follow up expeditious completion of ROB/RUB, Limited Height Subways, Normal Height Subways works, in their Railways. 3000 Level Crossings have been sanctioned for manning during the budget 2010-11 and more will be taken in the next budget. With the decision taken to man all unmanned level crossings, it is imperative now to do away with LCs with very level of TVUs. There has been emphasis on closure of LC Gates by diverting the traffic and merging/combining of unmanned level crossings to adjoining level crossings. The work related to provision of lifting barriers in replacement to gate leafs on manned level crossings is being done on priority basis besides providing basic infrastructure at unmanned Level Crossings. Meanwhile education of road users has been undertaken to guide them in exercising caution before crossing the unmanned level crossings. Help of village panchayats etc. has been initiated through publicity campaigns and other publicity campaigns including sending SMS on mobile phones especially in rural areas have been started at vulnerable locations."

13. The high rate of train accidents at the unmanned level crossings continues to be a matter of serious concern since as many as 16,976 level crossings out of the total 34,220 level crossings in the country remained unmanned at the time of the presentation of the Committee's Original Report on the subject. In this context, the Committee find that 3000 level crossings have been sanctioned for manning during the year 2010-11 and more would be taken up during 2011-12. Taking note of the tardy pace of work, the Committee feel that it would take the Railways around six years to complete the process of manning all the unmanned level crossings and that too if the achievement is optimum each year. The Committee would also like to know the targets fixed for the current year, the achievement made so far including that of the previous year and the time line by when all the level crossings will be manned. The Committee further recommend that

the work of manning the level crossings be accelerated to reduce the mishaps at the unmanned level crossings. The measures taken by the Railways viz. education of the road users to exercise caution, publicity campaigns through the help of village panchayats at vulnerable locations etc. are steps in right direction but these endeavour must continue unabated and intensified further with a view to averting accidents at the unmanned level crossings across the country.

IV. INADEQUATE MODERN SIGNALLING AND RADIO COMMUNICATION SYSTEM

Recommendation (Para No. 13)

14. In their Sixteenth Report, the Committee had observed that although a ten year Corporate Safety Plan (2003—13) was formulated by the Ministry of Railways in 2003 to realize the vision of an accident and casualty free Indian Railways through the use of modern and better technology etc., the provision of modernization was progressing behind schedule and the Railway zones had not been able to provide standard performance parameters of signalling and telecommunication equipment in use. The Committee had also noted with concern that the expenditure on signalling and telecommunication had steadily declined from 6.2 percent of the total expenditure in 2005-06 to 2.6 percent in 2009-10. Opining that provision of adequate signalling and telecom equipment was imperative for the prevention of many of the train accidents as corroborated by lesser number of such accidents in the developed countries where better communication based signalling system, Automatic Train Protection and Control System and GSM based Mobile Train Radio Communication System were being utilized, the Committee had recommended that the Ministry should make special efforts for speedier installation of modern signalling and telecommunication system for better operational and safer movement of trains. The Committee had also recommended that adequate funds should be earmarked for the purpose and feasibility of additional revenue generation be explored through lending of Railways land/assets to the telecom operators for installing mobile towers etc.

15. The Ministry of Railways in their Action Taken Notes have stated as under:—

"Funds for Signal & Telecommunication works under plan Head-33 are provided based on the availability of resources. There is a steady increase in % utilization of funds which are utilized judiciously to ensure productive deployment for increased level of safety. Signal incidences have steadily come down even though there is an increase in Signal Assets. The accidents attributed to S&T are negligible. During 2010-11 (upto July 2010) accidents attributed to S&T are nil against total accidents of 26 on IR. Mobile Train Radio Communication has been commissioned on 1700 RKMs out of 2415 RKMs and all the 84 nos. voice recorders in control offices have been commissioned. Further a lot of inputs have gone into to modernize the Signalling and Telecom infrastructure on Indian Railways. Large scale Track circuiting works have been undertaken during the last 10 years, along with provision of Electronic Interlocking, Panel Interlocking, Route Relay Interlocking, Block Proving by Axle Counter, Data loggers, etc."

16. The Committee do not accept the reply of the Ministry that there is a steady increase in the percentage of utilization of funds towards Signal and Telecommunication (S&T) works. On the converse, the fact of the matter is, the expenditure on S&T works had declined from 6.2 percent of the total expenditure in 2005-06 to 2.6 percent in 2009-10, as pointed out by the Committee in their Sixteenth Report. The Committee, would, therefore like to have the actual expenditure trend for S&T work *vis-a-vis* the total expenditure for the last five years to study the trend of expenditure and the veracity of the claim that there has been steady increase in the percentage of expenditure on S&T.

17. The Committee note that Mobile Train Radio Communication has been commissioned on 1700 RKMs out of the 2415 RKMs identified for the purpose. In view of the importance of the Modern Signalling and Telecommunication System for better operational and safer movement of trains, the Committee desire that expeditious measures be taken to Commission Mobile Train Radio and other effective communication system in the remaining 715 RKMs, identified for the purpose within a definite timeline and the Committee apprised. They also recommend that additional routes on the Indian Railways be progressively indentified for provision of better communication based signalling system within a given time period.

V. ENCROACHMENT OF RAILWAY LAND

Recommendation (Para No. 20)

18. In their sixteenth Report, the Committee had observed that the encroachment of Railway land had acquired menacing proportion as was evident from the fact that as many as two lakh encroachment cases (approximately) involving about, 1,594 hectares of land were there at the end of the year 2006-07. The situation had been so grave that even the Railway Safety Zone were encroached upon. Finding that lack of proper survey/verification of Railway land, non-availability of proper land records, improper maintenance of Registers, inaction on the part of Section Engineers, RPF personnel and other Railway authorities in carrying out timely inspection, identification and prevention of the encroachment activities were the root causes of the large scale encroachment of Railway land, the Committee had urged upon the Ministry to formulate a comprehensive action plan, in coordination with the State Government, District Authorities, local police and judiciary, for removal and prevention of encroachments.

19. The Ministry of Railways in their Action Taken Notes have stated as under:—

"Suggestion of the Committee has been noted. Detailed comprehensive instructions have been issued *vide* Railway Board's letter No. 2007/LML/06/10 dt. 01-04-2010 covering whole gamut on Land Management. Zonal railways have been asked to identify vulnerable locations prone to encroachments and to construct boundary walls at such locations on a programmed basis in order to prevent encroachments. As an additional safeguard for preventing encroachment, railway land is also licensed to railway employee for cultivation purposes. Railways have been directed to formulate the action plan for prevention of encroachments and to remain vigilant for preventing encroachment at the vulnerable locations.

It may be appreciated that encroachment removal process has a social aspect also. Railways are dependent on the assistance of the State Govt. for police and magistrate, etc. who are normally reluctant to provide adequate support and assistance. Efforts of removal of encroachment are halted by court cases also. Despite above constraints Railways have been able to successfully reduce the area under encroachments by 1080 hectares in the past 5 years as is evident from the position given below:—

| Details as on | Area (Hectare) under encroachments |
|---------------|------------------------------------|
| 31.03.05 | 2075 |
| 31.03.10 | 995 |

Due care is being taken to ensure that the projects do not get affected due to encroachments. As a result, only 6 projects have been affected due to encroachments. Railways are taking necessary action for removal of encroachments at these project sites."

20. The Committee are aware that encroachment removal process has a social aspect and efforts for removal of encroachment are halted due to litigations. But the issues of social aspect and litigations come into picture only after the Railway land is encroached upon. Prudent foresight, therefore, requires that the Railways resort to all possible and effective precautionary and preventive measures not to let its land encroached upon in the first place. Let the Railways mark it well that how protracted and prohibitive, it is in terms of time and cost, to evict the encroachers compared to prevention of encroachment. Further, the Ministry's submission that 1080 hectares of land has been made free of encroachments during the last five years is no consolation in view of the fact that 995 hectares of land was still under encroachment as on 31st May, 2010. The Committee, therefore, recommend that the Railway Board take up the matter with various State Governments with a view to ascertaining the causes of their reported reluctance in providing necessary assistance for removal of encroachments so that an amicable solution is arrived at for speedy reclamation of the Railways land. The Committee also desire that inaction or negligence in preventing or removing the encroachment of Railway land be viewed sternly and stringent action taken against the officials concerned for collusion or dereliction of duty.

VI. INADEQUATE LEGAL POWERS TO THE ESTATE OFFICERS

Recommendation (Para No. 21)

21. Finding that in as many as 21,654 encroachment cases, orders of the Estate Officers to evict the encroachers from the Railway land were not implemented on various grounds and also observing that as many as 45,551 cases of encroachment were pending decisions, the Committee in their Sixteenth Report had recommended that there was a need to carry out necessary amendments in the Public Premises (Eviction) Act, 1971 to give more teeth and legal powers to the Estate Officers for effective eviction of the encroachers from the Railway land as well as expeditious settlement of the pending cases.

22. The Ministry of Railways in their Action Taken Notes have submitted as follows:—

"The observation of the Committee regarding need for amendment of the Public Premises (Eviction Act, 1971) to provide more power to the Estate Officers is welcome. However, it is mentioned that the Public Premises (Eviction of Unauthorised Occupants) Act, 1971 is a Central Act pertaining to Ministry of Urban Development (MoUD). Ministry of Railways had suggested MoUD for empowerment of Estate Officers. However, MoUD in consultation with Ministry of Law and Justice have not agreed to the suggestions.

Despite the above constraints, Railways have been able to successfully reduce the area under encroachments by 1080 hectares in the past 5 years."

23. Taking note of inordinate delays in executing the eviction orders passed by the Estate Officers in as many as 21654 cases and 45,551 encroachment cases pending for decision, the Committee impress upon the Ministry of Railways to again take up the matter with the Ministry of Urban Development to get the Public Premises (Eviction of Unauthorised Occupants) Act, 1971 amended so that the Estate Officers are provided with adequate powers for speedy eviction of encroachers from the Railway land as well as for expeditious disposal of the pending cases. The Railway could also consider in consultation with the Law Ministry to have a special law for removal of encroachment on their land considering the dimension of the problem, the litigious nature of the encroachers and the public interest involved.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Observation/Recommendation (Para No. 3)

The Committee further observe that both the apex cell in the Railway Board and the Accounts Departments in the Zonal Railways do not seem to be well conversant with the prescribed procedures for preparing and furnishing Remedial/Corrective Action Taken Notes as Audit had to point out various shortcomings in a large number of Remedial/Corrective Action Taken Notes (about 150) submitted by them, which in the process, caused undue delays in the final submission. It needs to be re-emphasized here that Audit paras basically provide crucial inputs and suggestions for avoiding infructuous expenditure, lapses, deficiencies as well as for plugging various systemic loopholes, shortcomings etc. prevailing in the Ministry with a view to improving the overall performance and achievements of the Ministry. Accordingly, taking prompt remedial action thereon ought to be accorded priority and any delay on this count needs to be treated as a serious lapse. The Committee, therefore, urge upon the Railways to change their work ethics so as to take prompt remedial/corrective action on the Audit observations/findings and the requisite Action Taken Notes prepared and furnished within the stipulated time. The whole mechanism should be strengthened by introducing a system of fixing responsibility for the lapses and inordinate delays in the submission of Action Taken Notes on the Audit Paras. The Committee also desire that the Ministry should clear all the pending Remedial/Corrective Action Taken Notes within a fixed time-frame.

[Sl. No. 3, Part II, Para 3 of the 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

Instructions have been sent to Railways and also to Members concerned for early finalization of all pending paras pertaining to 1995-96 to 2007-08. Disposal of pending ATNs has been included as one of the Agenda items in monthly Board Meetings and will be reviewed at the Chairman, Railway Board level. Further, as decided in the meeting of Committee of Secretaries convened by Cabinet Secretary, ATN adalats will be organized quarterly for resolving differences between Audit and Executive. It is expected that all these measures will lead to expeditious disposal of pending ATNs.

Audit *vide* their U.O. No. 26035-Rly./Co-ord./RR2-5/2010 dated 09.8.2010 have vetted the Action Taken with the following remarks:—

"No comments."

Sd/-
(Ravi Prabhat)
Executive Director (Accounts)
Railway Board.

[Ministry of Railways' case No. 2010-BC-PAC/XV/16 dated, 27.1.2011, 24.2.2011]

Observation/Recommendation (Para No. 4)

The Committee note that the Ministry of Railways have issued their Disaster Management Plans at the Ministry, Corporate, Zonal and Divisional Railways' levels by November, 2009. All the provisions of the Disaster Management Act, 2005 and the guidelines of the National Disaster Management Authority issued in 2007, 2008 and 2009 have been reportedly either complied with or included in these Plans. However, the State Governments, which play a key role in mitigation of a disaster, rescue, relief etc. have not yet prepared their Disaster Management Plans and thus no tangible purpose can be served by promulgation of these Disaster Management Plans. Consequently, the intended objective of sharing resources in all the disasters including railway accidents still remains a distant hope. While stressing the need for putting in place an integrated, comprehensive and uniform Disaster Management Plans to effectively deal with the challenges which emerge in the event of train accidents or other disasters, the Committee urge upon the Ministry to take up the matter at an appropriate level for persuading the State Governments to formulate and promulgate expeditiously their Disaster Management Plans. In this context, the Committee would like the Ministry to have a coordinating arrangement with the State Governments, the District Authorities, civil/private hospitals, military and para-military forces and other concerned agencies so as to effectively leverage their infrastructure and resources for putting up synchronized efforts while responding to train or any other related disasters.

[Sl. No. 4, Part II, Para 4 of the 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

On the Railways there is a uniformity and a coordinated approach in tackling Disasters with the Civil Authorities etc. This is because Indian Railways have made out a disaster Management plan in November 2009 which emphasizes this aspect. Consequently details of concerned Civil Authorities (including District Collectors, Police Officers), Medical and Armed Forces have been incorporated in all the Divisional and Zonal Disaster Management Plans. Further local contact numbers of Civil Authorities, Medical Staff are also available at stations.

With the promulgation of a Disaster Management Act 2005, it has become mandatory on the part of State Govt./District Authorities and other ministries to provide their resource for management of Disasters (including major Railway accident). NDMA has issued Guidelines on Management of Earthquakes, Floods, Chemical disasters,

Cyclones, medical preparedness, Biological Disasters, Chemical (Terrorism) Disasters, Management of Landslides and Snow Avalanches etc. These Guidelines are bringing on all Central Government Ministries and Departments as also on the State Governments. Indian Railways' DM Plan has now been prepared in November, 2009 taking these guidelines into consideration. The State Governments have also prepared their DM plans separately. As mandated by these Guidelines, the State DM Plan, District DM Plan have also to be in line with Guidelines given by NDMA. This has brought about a cohesive and coordinated approach amongst various wings of Central and State Governments.

Audit *vide* their U.O. No. 311-RA-II/12-3/2010/PAC/Disaster Management dated 05.10.2010 have vetted the Action Taken Note.

Sd/-
(Ravi Prabhat)
Executive Director (Accounts)
Railway Board.

[Ministry of Railways' case No. 2010-BC-PAC/XV/16, dated 27.1.2011, 24.2.11]

Observation/Recommendation (Para No. 5)

Recognizing the need for stronger and appropriate infrastructure as a part of the strategy for setting up an effective disaster management system in the Indian Railways, the High Level Committee constituted by the Railways had recommended for the provision of important rescue and relief equipments like Self Propelled Accident Relief Trains (SPARTs), Accident Relief Trains (ARTs), Accident Relief Medical Vans (ARMVs) in addition to breakdown cranes, rescue ambulances etc. The Committee, however, in their examination find grave inadequacies in the provision and persisting deficiencies in the maintenance of the aforesaid essential relief and rescue equipment. Subsequently, the Ministry of Railways claimed that the requisite number or the required scale of ARTs and MRVs are being equipped but SPARTs would be inducted after the successful completion of trial of three such equipment manufactured by Integral Coach Factory. The Committee observe that this is high time that the Indian Railways should have such a scale and degree of preparedness to meet large-scale emergent crisis, which may arise in the event of train accidents/disasters. To prevent any compromise on this count, the Committee recommend that requisite number of SPART and other similar or associated emergency relief equipment should be inducted urgently in a time bound manner. This is imperative for the Indian Railways to gear up the scale of preparedness to the desirable level. Further, many a times such essential equipments inducted at a high cost are thrown out of operation due to machinery breakdowns, poor maintenance, unscheduled repairs etc. The Committee, therefore, desire that every possible safeguards and arrangements should be made for ensuring timely and proper periodic maintenance/overhauling of these essential equipments so that these are kept operationally fit all the time.

[Sl. No. 5, Part II, Para 5 of the 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

Indian Railways is actively pursuing induction of the state of the art SPARTs. Production of these SPARTs has already started, a few have been put in use on Zonal Railways. Rest are under manufacture on yearly basis. Adequate maintenance schedules of all Relief/Rescue equipment including in ARTs/cranes is well laid down to ensure they are kept operationally fit all the time.

Audit *vide* their U.O. No. 397-RA-II/12-3/2010/PAC/Disaster Management dated 08.12.2010 have vetted the Action Taken Note.

Sd/-
(Ravi Prabhat)
Executive Director (Accounts)
Railway Board

[Ministry of Railways' case No. 2010-BC-PAC/XV/16 dated 27.1.2011, 24.2.11]

Observation/Recommendation (Para No. 6)

The Committee note that rescue and relief during the first hour of train accidents termed, as the 'Golden Hour' is crucial to increase the survival chances of the victims. In Indian Railways, this type of rescue and relief work is primarily carried out by a few on board staff, nearby railway staff and local police and hospitals. The Committee are, however, pained to note that the Indian Railways have utterly failed in ensuring timely dispatch and arrival of the essential rescue and relief equipment within the 'Golden Hour' in most of the major train accidents including 11 July 2006 serial blasts in seven local trains in Mumbai and 27 June 2009, truck-train collision at Ujjain Station. Shockingly, in the Mumbai incident, the ARMVs sent to the blast site proved to be useless because all the victims had already been shifted to nearby hospitals by the volunteers from amongst the passengers. In the opinion of the Committee, the Ministry need to draw suitable lessons from these incidents so that the same mistakes are not repeated in future. In view of this appalling scenario, the Committee desire that strategic locations and train junctions should be identified on all vulnerable routes and all the necessary items and equipments should be stationed at these locations in such a way that these are made available to the accident site within the 'Golden Hour' by any convenient means of transport. The Committee would like to have details of precise action taken in this regard.

[Sl. No. 6, Part II, Para 6 of 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

With the enactment of the Disaster Management Act 2005 which envisages participation by all stake holders based on their expertise, the golden hour *i.e.* first hour after the accident is to be generally managed by the few on board railway staff, railway staff working at the nearby area, unaffected train passengers, local police and fire brigade, local hospitals and doctors, other relief rescue workers in the nearby areas. Depending on the location of the accident, Railways ARMVs are seldom able to reach the site of accident within the golden hour considering the fact that the same are rail mounted and located at stations where railways have suitably trained staff and

their movement to the site of accident is also dependent on their distance from site as also on several other factors. Keeping the above in view, zonal railways are coordinating with the non-railway, govt./non-govt. resources available with various agencies so that the same can be requisitioned immediately to help the affected persons. The information has been made part of the Disaster Management Plans of the Zonal Railways.

Audit *vide* their U.O. No. 397-RA-II/12-3/2010/PAC/Disaster Management dated 08.12.2010 have vetted the Action Taken Note.

Sd/-
(Ravi Prabhat)
Executive Director (Accounts)
Railway Board

[Ministry of Railways' case No. 2010/BC-PAC/XV/16, dated 27.1.2011, 24.2.11]

Comments of the Committee

Please *See* Para No. 10 of Chapter I.

Observation/Recommendation (Para No. 7)

Another major constraint being faced by the Railways in providing timely rescue operations in a train disaster is the lack of proper training of the frontline/onboard staff resulting in inability to provide organized and coordinated operation. Precious time is also lost in summoning qualified personnel on the sites. Even though, the Railways have initiated certain measures in this regard the actual position still remains far from satisfactory. It was found in the Committee's examination that in most of the Divisions less than 25 per cent of the frontline staff was trained, whereas in the Zones the specialized training courses organized by Indian Railways were poorly attended. The Committee view imparting of training to on board and frontline staff as an imperative to deal effectively with train disasters and feel that this needs to be pursued vigorously with the available manpower in the Indian Railways. The Committee would, therefore, like the Ministry to explore every possible avenue to provide appropriate training to their staff to improve their post disaster management skills so that the Railways' response time to a particular train accident/disaster is further minimized to provide effective succour to the accident victims. As a part of this strategy, possibility of imparting passenger education by the TTEs in coping with emergencies and accidents, on the lines of similar exercise being done on Passenger Airlines may also be explored. The Committee further observe that apart from on board staff and passengers, people living in nearby areas are the first ones to arrive at a disaster site. The Committee, therefore, impress upon the Ministry to take advantage of this situation and enter into arrangements with NGOs, Voluntary Organizations, civil society groups, clubs etc. operating at various places/locations along the vulnerable rail lines for enlisting their services in rescue and relief operations. These Organizations should also be provided necessary training to enlist their services in such emergency situations.

[Sl. No. 7, Part II, Para 7 of 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

Ever since adoption of the Disaster Management Act, 2005, comprehensive instructions on Training for the first time on Disaster Management has been issued *vide* Railway Board Letter No.E(MPP)2009/3/1, dt. 20.01.09. Ministry of Railways have issued instructions regarding training on Disaster Management of Railway Officials including top level Railway officers, other staff and includes frontline staff also. A copy of the instructions on training the DM are at *Annexure I*. Since Disaster Management figures as a course content in the stage-wise-training module, required staff are regularly being trained for DM in various training institutes *e.g.* IRITM/LKO, ZRTIs Customer Care Centers etc. on Disaster Management. The TTEs and other ticket checking staff on board the train are imparted DM Training in the Customer Care Institutes.

Details of Organizations like NGOs, Voluntary Organizations, Civil Society groups, clubs etc. were available especially to provide Medical relief which can be helpful during Disaster Management have been provided in DM plans of Railway or recorded in the Divisional Office Control Room, Railway Hospitals and at stations.

Audit *vide* their U.O. No. 397-RA-II/12-3/2010/PAC/Disaster Management dated 08.12.2010 have vetted the Action Taken Note.

Sd/-
(Ravi Prabhat)
Executive Director (Accounts)
Railway Board

[Ministry of Railways' case No. 2010/BC-PAC/XV/16, dated 27.1.2011, 24.2.2011]

Observation/Recommendation (Para No. 8)

The Committee note that achieving rapid access to the accident sites still remains a major hurdle, as rescue operation during the 'Golden Hour' cannot be achieved merely with the conventional provisions of ART, ARMV and SPART etc. For this, the Indian Railways require a paradigm shift like provision of air support and integration of railway disaster management infrastructure with those of civil authorities, armed forces etc. The Committee feel that this requirement further reinforces the need for proper and speedy implementation of the Disaster Management Act, 2005, which makes it mandatory for the Ministry of Railways to ensure proper coordination with the various Departments of the Union Government and the State Governments for dovetailing the Disaster Management Plans of all the stake holders so that the available infrastructure and resources are shared. The Committee further desire that the current arrangement of coordination for rescue and relief operations with the State Governments, District Authorities, local police, Medical and Armed Forces, and other agencies need to be further strengthened for facilitating effective and synchronized relief/rescue operations. This would greatly enhance the Railways' quick response to any sort of train accidents. The Committee desire that in undertaking such an exercise, arrangements may be kept

in hand for providing air support and deploying water/amphibious vehicles like boats, hovercrafts etc. if the situation so warrants.

[Sl. No. 8, Part II, Para 8 of 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

For proper and speedy implementation of provision of the DM Act 2005 the DM Plan has been prepared for Indian Railways which provide a blue print to the Zonal Railways and even to field units to tackle a disaster. To ensure proper coordination with departments of Union and State Govt. & District authorities, Local Police, Medical, Para-Military Forces (NDRF) coordination has been strengthened with all of them. A schedule for Mock Drills with NDMA/NDRF as also meetings with NDRF Units have been laid down/directions have been given recently in a sabotage case on 28th May, 2010. A train accident involving passengers of Train No. 2102 Jnaneshwari Express near Kharagpur, help of helicopters was taken from air base Kalaikunda and special NDRF force was called from Kolkata for facilitating effective and synchronized relief/rescue operations to enhance the Railways' quick response. The specialized services of modern cold cutting equipment available with NDRF was taken to extricate bodies of the dead, as also injured passengers from the capsized coaches. NDMA & MHA controls are also apprised for assistance in relief in case of major train accidents.

Even in the incident of collision of Uttar Banga Express (3148 Dn.) with Vananchal Express (3404 Dn.) at Sainthia station of Eastern Railway on 19.07.10, a team of NDRF was requisitioned and reached site of the accident to help in the Railway's efforts of relief & rescue.

Audit *vide* their U.O. No. 311-RA-II/12-3/2010/PAC/Disaster Management dated 05.10.2010 have vetted the Action Taken Note.

Sd/-
(Ravi Prabhat)
Executive Director (Accounts)
Railway Board

[Ministry of Railways' case No. 2010-BC-PAC/XV/16 dated 27.1.2011, 24.2.11]

Observation/Recommendation (Para Nos. 9 and 10)

Recommendation (Para No. 9)

The Committee are concerned that while there emerge newer and graver threats day by day, posing serious challenges to railway safety and security, matching attention and response is not visible in the railway security establishments. This was especially found at the Railway stations where infrastructure was inadequate and surveillance was not very effective as revealed in a joint inspection by Audit of the security mechanism at 138 stations across the Indian Railways. This inspection revealed that while CCTVs were not available in 87 out of the 128 stations, a number of CCTVs were found dysfunctional in 10 out of the 24 'A' category stations such as Chennai Central, Kalyan, Secunderabad, Guwahati and Patna Junction. Worse still, in most of the

test-checked stations there was either acute shortage or prevalence of dysfunctional security gadgets such as scanning machines, metal detectors, bomb detection and disposal squads etc. The smaller stations were worst off in this regard, as none of them were equipped with any surveillance mechanism. These threats are further compounded by the existence of unmanned multi-entry/exit points. These glaring lapses in the Railways existing security set-up give the impression that while moderate level of security precaution is being provided at the bigger stations, the smaller stations are left to providence insofar as preventing threats to safety and security issues are concerned. This is a serious lapse for which Railways have to make earnest efforts at a fast pace to meet the growing security challenges. In this regard, the Committee have been informed that an electronic surveillance based Integrated Security System is being installed at 195 sensitive stations across the country. Besides, the Railway Protection Force has been strengthened by infusing more funds; raising 12 commando companies; providing specialized training; launching better information network with passengers/public and augmenting Dog Squad. The Committee still find that these measures are not commensurate with the quantum of the threat perception faced in a vast network which operates about 900 trains, reaching 800 stations and handling approximately 1.4 crore passengers per day. Moreover, the Integrated Security System neither addresses much about the risks associated with the goods trains nor covers the safety and security issues concerning tracks and bridges even though these are very vulnerable to sabotages. The Committee, therefore, recommend that the Ministry of Railways should get a proper security evaluation done for analyzing different threat perceptions relating to train stations, tracks, bridges etc. so that a comprehensive security plan is formulated and adequate preventive and anti-sabotage security system is put in place. The Committee further recommend that the RPF be reformed, modernized and expanded to provide the required level of manpower and security.

[Sl. No. 9, Part II, Para 9 of 16th Report of PAC (15th Lok Sabha)]

Recommendation (Para No. 10)

The Committee note that with the increasing number of train passengers and users, most of the railway stations across the country have been increasingly facing the problem of over crowding. With the existence of unmanned or inadequately manned multi-entry and exit points in many of the stations, the problem of overcrowding and unauthorized entry into the railway premises is growing day by day posing a challenge to the railway safety. As a matter of concern, the number of trespassers, unauthorized hawkers/vendors prosecuted by the Railway Protection Force under various sections of the Railways Act, 1989 reached 14 lakh in the year 2008 alone. To eliminate this problem, the Committee observe that the Railways need to take precise and time bound multi-pronged measures like construction of boundary walls and fencings around the stations, plugging of unmanned entry and exit points, allowing the entry of the non-passengers to a certain point as is the case in the airports, revising the norms of platform ticket system etc. The Committee further desire that all these measures should be incorporated in the Railways' Integrated Security System as efforts to homogenise all the railway safety measures for better results.

[Sl. No. 10, Part II, Para 10 of 16th Report of PAC (15th Lok Sabha)]

Action Taken on Recommendation Nos. 9 & 10 by the Government

A High Powered Committee consisting of officers from NSG, Delhi Police, RPF, CISF & Railways has formulated Composite Security Plan for Railway Security. Based on the recommendations of above Committee, 202 vulnerable railway stations have been identified. An Integrated Security System, consisting of following four broad areas, is being installed to strengthen surveillance mechanism over above stations at an estimated budget of Rs. 353 crore under Works Programme 2009-2010.

- (a) IP based CCTV surveillance system.
- (b) Access control.
- (c) Personal and baggage screening system.
- (d) Bomb Detection and Disposal system.

Regarding provision of boundary wall at vulnerable stations nominated for Integrated Security System, General Manager have been advised to have them built/ provided in consultation with RPF and concurrence of Zonal Finance, wherever provision of boundary walls/fencing etc. is considered essential and inescapable.

Review of Railway Security

Meetings with Ministry of Home Affairs are being held at regular interval of time to review railway security. State-wise nodal officers have been nominated from RPF for coordination, liaison with concerned State authorities. Sensitive routes have been identified in consultation with the concerned security agencies. Necessary action is being taken for its security in a coordinated manner. Ministry of Railways in consultation with Ministry of Home Affairs has decided to hand over the security of Kolkata Metro Railway to a single agency *i.e.* RPF. Creation of additional posts is under process. Close coordination with State Police, GRP and Civil Administration has been maintained to improve the security in Railways.

Modernization/Strengthening of RPF

- Rs. 67.09 crore have been allocated for procurement of modern security related equipment for RPF and procurement process is underway.
- RPF personnel are being equipped with modern fire arms like AK 47 rifles.
- Proposal for legal empowerment of RPF to deal with passenger related offences is under examination of the Board.
- 973 non-gazetted posts in RPF were sanctioned in the year 2008 and recruitment process has already been completed. To further augment the strength of RPF, 5134 posts have been created with the approval of Ministry of Finance, for which recruitment process has been initiated.
- To strengthen railway security in vulnerable sections, creation of infrastructure

for three new RPSF Bns. has been sanctioned under Works Programme 2010-2011. HQ's of above Battallion will be at:—

- (i) Manwal (NR)
 - (ii) Cooch Behar (NFR)
 - (iii) Asansol (Mahila Bn) (ER)
- A Commando training Centre to impart Commando Training to RPF/RPSF personnel has been approved to be set up at Canning/ER.
 - An All India RPF Help line, sanctioned at an estimated cost of Rs. 5 crore is being set up.
 - Networking of Security control Rooms and posts of RPF at Divisions, Zones and Railway Board has also been approved to improve response to passenger and ensure better crime control.
 - 12 Commando companies are being raised by giving commando training to RPSF personnel in institutes of repute.
 - A National Dog Training centre has been approved at Podanur, SR with a capacity of training of 50 dogs at a time.

Railways have been advised to take action for identification and construction of boundary walls at vulnerable locations on a programmed basis in order to prevent trespassing and preventing outsiders against developing any right of entry on Railway land besides prevention of encroachments. Locations around stations within towns are one of these vulnerable locations where boundary walls are provided on programmed basis depending on availability of funds. Instructions to ensure manning of entry and exit points to prevent entry of unauthorized persons/non-passengers in ticketed area of railway stations and to form combined teams of ticket checking staff and personnel of Railway Protector Force and Government Railway Police for surveillance at the stations where the problem of checking unauthorized entrants is severe, already exist. These instructions had been reiterated for strict compliance and railways have also been instructed to conduct special drives periodically in association with RPF/GRP staff at station premises to evict unauthorized persons. Entry of non-passengers to ticketing area of platform on the authority of platform tickets is restricted during peak rush periods especially during festival seasons and vacation periods when platforms and railway stations become congested.

Audit *vide* their U.O. No. 311-RA-II/12-3/2010/PAC/Disaster Management dated 05.10.2010 have vetted the Action Taken Note.

Sd/-
(Ravi Prabhat)
Executive Director (Accounts)
Railway Board

[Ministry of Railways' case No. 2010-BC-PAC/XV/16, dated 27.01.2011, 24.02.11]

Observation/Recommendation (Para No. 11)

The Committee in their examination find that about 83 to 86 per cent of the train accidents during the preceding five years were caused by human errors especially the failure of the Railway staff. This indicates lack of proper training or expertise in running/driving trains and handling sophisticated equipment. On a closer scrutiny, rampant cases of human errors are also indicative of occupational hazards such as working in extreme climates and overstretched working hours etc. The Committee, therefore, recommend that the Ministry should study the causes of the human errors leading to train accidents and take necessary remedial measures for imparting appropriate skills, training and for alleviating unreasonable hardships, if any, faced by the railway personnel to prevent or minimize the errors to the barest minimum.

[Sl. No. 11, Part II, Para 11 of 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

A major chunk of Accident due to human error are not in control of Railways. This is due to the fact that bulk of the total accidents are at unmanned level crossing caused by road users. Another smaller chunk is on account of sabotage or of bomb blast and/or miscreant activities. The extent of the rest *i.e.*, of accidents on account of failure of Railway staff is reducing year after year in numbers. Even in these cases, there is big percentage of them which are consequent to a failure of equipment, the Railway staff is personally required to exercise greater care and supervise passing of trains. The Railways have adopted a policy of placing such accidents, not in the category of failure of equipment, but on failure of Railway staff.

With rail traffic increasing fast, there is considerable pressure on the Railway staff in such situation especially in congested sections. This is partly being overcome by improved Technology adopted gradually on the Railways as also by modernization of equipment and revamping the Training Modules of staff.

The improvements in Training methodology and review of training Modules, periodicity etc. have been taken up in a big way. Practical aspects of Training is being emphasized in the Revised Training Modules. This has shown encouraging results as the no. of cases of accidents on account of failure of Railway staff have gradually reduced year after year.

Audit *vide* their U.O. No. 311-RA-II/12-3/2010/PAC/Disaster Management dated 05.10.2010 have vetted the Action Taken Note.

Sd/-

(Ravi Prabhat)

Executive Director (Accounts)

Railway Board

[Ministry of Railways' case No. 2010-BC-PAC/XV/16, dated 27.01.2011, 24.02.2011]

Observation/Recommendation (Para No. 14)

The Committee note that the Indian Railways have chalked out various measures to reduce different types of accidents like derailments, collisions, level crossing accidents, fire accidents. While these measures need to be pursued vigorously, many challenges lie ahead in this regard like fund constraints, lack of trained manpower, lack of co-operation from the States, sabotages by anti-social elements etc. Moreover, these being costly projects, would exact huge investment. The Committee, therefore,

desire that the Ministry should explore new vistas and partnerships with the State Governments/PSUs and even the Private Sector perhaps in the PPP mode for enhancing revenue generation so that a substantial portion of the projects can be self financed or self sustainable.

[Sl.No. 14, Part II, Para 14 of 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

Ministry of Railways agrees with this recommendation and to implement this policy has created an Infrastructure directorate in the Railway Board to oversee PPP projects so as to bring in greater investment on the Railways. This Ministry is already implementing a number of railway projects/schemes in partnership with State Governments and with private sector holders to improve the viability and prospect of timely execution of projects. Ministry of Railways has also entered in cost-sharing arrangements with the following State Governments for funding of Railway projects: Karnataka, Maharashtra, Haryana, Andhra Pradesh, Chhattisgarh, Jharkhand, West Bengal, Uttarakhand, Himachal Pradesh and Tamil Nadu.

Audit *vide* their U.O. No. 311-RA-II/12-3/2010/PAC/Disaster Management dated 05.10.2010 have vetted the Action Taken Note.

Sd/-
(Ravi Prabhat)
Executive Director (Accounts)
Railway Board

[Ministry of Railways' case No. 2010-BC-PAC/XV/16 dated 27.1.2011, 24.2.11]

Observation/Recommendation (Para No.15)

The Committee find that many of the railway assets and properties including train stations, tracks, bridges, wagons, rolling stock, immovable infrastructure are exposed to various forms of vandalism like sabotage by extremists, mob violence, arson, looting, destruction, hooliganism and even thievery. With the increasing incidences of mob violence, general strikes, public agitations, *bandhs* etc., the railway assets especially in the far-flung and remote areas are at the greater risk of destruction. It has been informed by the Ministry that in some cases of vandalism, where culprits are known, FIRs are filed but could not be pursued vigorously because of multiple of constraints like lack of manpower, lack of co-operation from the local police, lengthy or protracted court cases. Thus, acts of vandalism on the Railways' property are not being pursued effectively. The Committee recommend a vigorous and purposive follow up of prosecution of persons responsible for destruction of railway property and also an assessment of the need to amend certain laws to effectively enforce the protection of railway property. A Committee of experts, including legal experts may be set up to study the best possible solution for covering the gaps in the law and its enforcement as far as prosecuting the culprits is concerned. The Committee believe that with the increasing use of electronic surveillance systems, the prevention and pursuance of these cases should be easier, faster and more decisive. For this, the Railways may enter into a formal coordinating arrangement with State Governments, District and Local

Authorities/police, law courts etc. to undertake proper investigation to identify and arrest the culprits for further appropriate action. Further, an effective mechanism should be put in place for monitoring the outcome of the cases registered. Also, considering the difficulties and hurdles in pursuing such cases, the Committee would like the Ministry to focus on taking preventing actions by sensitizing all the law enforcement agencies like RPF, GRP and local police on these issues.

[Sl.No.15, Part II, Para 15 of 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

An unrelenting fight against criminals in protecting railway property is the main function of Railway Protection Force. The RPF enquiry officers have been invested with the powers of prosecution under the RP(UP) Act and certain sections of the Railway Act, 1989 Nodal officer (of the rank of Chief Security Commissioner) has been nominated for coordination with each State Zonal Railways have been advised to coordinate with the State Governments at appropriate levels. The Divisional Security Commissioners/Assistant Security Commissioners usually conduct coordination meetings with their counterparts at District level. The matters regarding investigation and prosecution of the persons responsible for destruction of railway property are also chased up. The cases registered by police are also monitored at appropriate levels.

Audit *vide* their U.O. No. 311-RA-II/12-3/2010/PAC/Disaster Management dated 05.10.2010 have vetted the Action Taken Note.

Sd/-
(Ravi Prabhat)
Executive Director (Accounts)
Railway Board

[Ministry of Railways' case No. 2010-BC-PAC/XV/16, dated 27.1.2011, 24.2.2011]

Observation/Recommendation (Para No.16)

The Railway Board took a decision in December 2000 to set up separate Land Management Organization at Divisional and Zonal levels for preventing encroachments upon Railway Land. Subsequently, the idea was dropped without the approval of the Board and Audit found in their review that land management cells were not formed in 8 out of 16 Zones and 44 out of 67 Divisions. Although the Ministry of Railways claimed that Land Management Cells have now been set up as previously envisaged and made functional with well trained and competent officials in the Zonal Headquarters and Divisions of all the sixteen Zonal Railways, the Committee find in their examination that such cells are still not in place in various Zonal and Divisional Headquarters. This reveals either errors in the information submitted by the Zonal Railways or lack of involvement as well as slack monitoring by the apex body in the Railway Board. The Committee observe that establishing a separate Land Management Cell at each of the Zonal and the Divisional Headquarters level would vastly help the Railway authorities in interacting, coordinating liaisoning with the State Revenue Authorities on various land related issues, like land title disputes and eviction of encroachments into railway

land. Furthermore, since land disputes are complicated and often turn into protracted court cases, the system demands that those manning land management cells should be fully conversant with various Rules and Acts governing landed property like the Railway Act, 1989, and the Public Premises Eviction Act, 1971. The Committee, therefore, while urging the Railways to set up separate land management cells in remaining Zone/Divisions, would also like the Ministry to make necessary efforts/arrangements to staff their Land Management Cells with those who possess adequate knowledge and skills to deal effectively with land related matters/cases in Courts of Law and if required, suitable training may be provided to them to improve the performance of these Cells.

[Sl.No.16, Part II, Para 16 of 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

Consequent to the decision taken in December, 2000, Land Management cells have been set up and are functional in all the zonal headquarters and divisions on railways. Comprehensive instructions have been issued *vide* Railway Board's letter No. 2007/LML/06/10, dt. 01.04.2010 covering whole gamut on Land Management including imparting regular training from railway's training institute as well as other reputed private training institutes to the officials and staff of Land Management Cells. Regular training of officers and staff is carried out at the divisional training school and Indian Railway Institute of Civil Engineering (IRICEN), Pune in order to deal effectively with land related matters. Separate workshops are also organized for interaction with revenue officials.

Audit *vide* their U.O. No. 28-RA-II/12-2/2007/(MIP) dated 02.2.2011 have vetted the Action Taken Note with the following comments:—

"Seen, thanks. However, copy of the detailed instructions issued, regarding leasing/licensing of railway land to PSUs along with a copy of contract agreement containing the clause for retrieval of land in case the same is required by Railway before the expiry of the term of the lease, may be furnished for kind appreciation of PAC."

Ministry's Comments

Requisite instructions are at Annexures A, B, C, D and E.

Sd/-
(Rashmi Kapoor)
Adviser Finance,
Railway Board

[Ministry of Railways' case No. 2010-BC-PAC/XV/16, dated 24.2.2011]

Observation/Recommendation (Para No. 17)

The Committee are constrained to note the delays in acquisition of land in 71 out of the 129 cases reviewed by Audit. Further, even though land was acquired, mutation of land was not done with the respective State revenue authorities in 60 cases. Surprisingly, the acquired land was not handed over to the respective construction departments/open lines in 44 cases. It was also found that several cases of land acquisition, processed as far back as five to seven years, were still not finalized. The main reasons for these problems were court cases, delay on the part of the State Governments, encroachments, pricing disputes with the State Governments, non-disbursement of amount etc. The Committee in their examination notice that the entire land acquisition procedure of the Indian Railways had been carried out under the Land Acquisition Act, 1894. The Committee have now been informed in this regard that with the enactment of the Railways (Amendment) Act, 2008, acquisition of land is expected to be faster. The Committee recommend that the Ministry should further streamline their procedures of land acquisition and mutation preferably under a properly modified Act so that no scope is available for court cases and disputes with the State Governments in acquiring land for their purposes. This would arrest the delays in acquisition of Railways Land and consequently, will accelerate the momentum and progress of the capacity enhancement projects like Dedicated Freight Corridors, which are still at the nascent stage of finalizing land acquisition even after a lapse of three years from its initiation.

[Sl. No. 17, Part II, Para 17 of 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

Land is a State subject. Land acquisition for railway projects is undertaken by State Government under the "The Land (Acquisition) Act, 1894". For the new projects and old projects where process of acquisition is in initial stages, the land acquisition is now being undertaken through the Railways (Amendment) Act, 2008. As the State Government is custodian of all land records, mutation which *inter-alia* involves alteration to the land records owned by the State Government is done by State Government only. Notwithstanding above, it is always the endeavour of Railways to streamline and expedite the land acquisition and mutation process by constant interaction with the State Revenue Authorities and other agencies at all levels. In this regard, periodic meetings are held with State Government officials including Secretary level meetings.

Audit *vide* their U.O. No. 28-RA-II/12-2/2007/(MIP) dated 02.2.2011 have vetted the Action Taken Note with the following comments:—

"Seen, thanks. However, copy of the detailed instructions issued, regarding leasing/licensing of railway land to PSUs alongwith a copy of contract agreement containing the clause for retrieval of land in case the same is required by Railway before the expiry of the term of the lease, may be furnished for kind appreciation of PAC."

Ministry's Comments

Requisite instructions are at Annexures A, B, C, D and E.

Sd/-

(Rashmi Kapoor)
Adviser Finance
Railway Board

[Ministry of Railways' case No. 2010-BC-PAC/XV/16, dated 24.2.2011]

Observation/Recommendation (Para No. 18)

As per provisions of the Indian Railways Code for Engineering Department, the Indian Railways Works Manual and the Joint Procedure Order issued by Chief General Engineer/Zones, three basic land records registers namely Land Records Register, Land Boundary Verification Register and Encroachment Inspection Register are required to be maintained at Zonal, Divisional and field levels. The Committee's examination has, however, revealed that the Land Boundary Verification and Encroachment Inspection Registers were not being maintained by 97 out of 212 Senior Sectional Engineer's Offices checked by Audit. Besides, inconsistencies prevailed in reporting the facts on the land holding, recent land encroachments, land plans, verification of records, construction of boundary walls etc. at various levels in the zones besides instances of title disputes and forged sale of land by private parties. In the absence of proper land records, the Railways could not submit accurate information even to the Courts thus prolonging many land dispute cases. Thus, the failure of the Railways to maintain the requisite land records registers has snowballed into a big problem for not only the Railways but also for other stake holders for the simple reason that many of the disputes and the court cases stemmed from this lapse. The Committee have now been informed that in order to address the deficiencies in record maintenance, all the data relating to land holdings has been computerized. In addition, more than 81 per cent of the total 52,367 land plans have been digitally scanned by August 2009. The Committee observes that it is also necessary to correct the inaccuracies in the existing land records. This would produce accurate, dispute-free land records and data, which would in turn help in settling many of the court cases and preventing any more disputes in future.

[Sl. No. 18, Part II, Para 18 of 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

Suggestion of the Committee has been noted. All land record registers as per codal provisions are maintained by zonal railways and divisions. Deficiencies are made good by Railways as and when noticed. Railways have been further directed to review the land records and correct the inaccuracies wherever noticed. Comprehensive detailed instructions have been issued *vide* Railway Board's letter No. 2007/LML/06/10 dt 01-04-2010 to Zonal Railways in this regard.

Audit *vide* their U.O. No.28-RA/II/12-2/2007/(MIP) dated 02.2.2011 have vetted the Action Taken Note with the following comments:—

"Seen, thanks. However, copy of the detailed instructions issued, regarding leasing/licensing of railway land to PSUs along with a copy of contract agreement containing the clause for retrieval of land in case the same is required by Railway before the expiry of the term of the lease, may be furnished for kind appreciation of PAC."

Ministry's Comments

Requisite instructions are at Annexures A, B, C, D and E.

Sd/-

(Rashmi Kapoor)
Adviser Finance
Railway Board

[Ministry of Railways' case No. 2010-BC-PAC/XV/16, dated 24.2.2011]

Observation/Recommendation (Para No. 19)

As an offshoot of improper maintenance of land records in various Zones and Divisions, instances of title disputes, non-reclamation of land and even forged sale of land are still prevalent in the Indian Railways. In a unique case of the Western Railway, the railway administration failed to take back timely possession of a piece of land measuring 159.91 hectares from the State Government even after 32 years of the closure of the narrow gauge line on Ujjain-Agar Section as it could not prove its ownership. The Ministry attributed the cause of these problems to the fact that the Indian Railways inherited the land records from the erst while British India, various State Railways and Princely States, which lacked uniformity in maintenance of land records. The Committee do not find this contention convincing neither for the Railways inability to recover the land from the State Governments, nor for instances of forged sale of land by the private parties because these problems would not have emerged at the first instance had the Railways undertaken verification/proper survey of the inherited land for correct record maintenance and resolving ownership issues immediately when they took over possession of the land. The fact that this was not given any attention before indicates the apathetic attitude of the Ministry in taking timely action for having interactions/coordination with the concerned States with a view to facilitating transfer of ownership and other allied matters. Recently, the Ministry have taken on priority such long awaited measures as — verification of land plans with revenue authorities; computerization of land plans including scanning and microfilming; and holding meeting with State Government revenue officials. The Committee feel that the Indian Railways need to evolve a staggered time-frame for implementation of these measures so that no scope for title disputes and forged selling of land is left. The Committee further recommend the Ministry to keep all railway land under their possession/ownership in unambiguous terms to avoid any unwanted controversy in future.

[Sl. No. 19, Part II, Para 19 of 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

Suggestion of the Committee has been noted. Comprehensive detailed instructions have been issued *vide* Railway Board's letter No. 2007/LML/06/10 dt. 01-04-2010 covering whole gamut on Land Management. General Managers of the Zonal Railways have been directed to take up issues regarding land management in the coordination meeting with the State Governments. As already observed by the Committee, railway has taken up the task of verification of land plans on priority basis. In this regard, 45240 no. of land plans have been verified and digital scanning of 43270 land plans have been completed out of total 54060 plans upto Oct-2010. Railways have been directed to complete the balance work in order to keep all railway land under their possession/ownership in unambiguous terms. It is a committed policy and effort of railway to keep railway land under their possession/ownership in unambiguous terms.

As regards Ujjain-Agar narrow gauge section, Railway is the *bonafide* owner of the land. Railway is in constant interaction with State Government of Madhya Pradesh regarding transfer of this railway land to the State Government.

Audit *vide* their U.O. No. 28-RA-II/12-2/2007/(MIP) dated 02.2.2011 have vetted the Action Taken Note with the following comments:—

"Seen, thanks. However, copy of the detailed instructions issued, regarding leasing/licensing of railway land to PSUs along with a copy of contract agreement containing the clause for retrieval of land in case the same is required by Railway before the expiry of the term of the lease, may be furnished for kind appreciation of PAC."

Ministry's Comments

Requisite instructions are at Annexures A, B, C, D and E.

Sd/-

(Rashmi Kapoor)
Adviser Finance,
Railway Board

[Ministry of Railways' case No. 2010-BC-PAC/XV/16, dated 24.2.2011]

Observation/Recommendation (Para No. 20)

In a disturbing scenario, the Committee find that the Indian Railways have been facing many cases of encroachment of their land across the country. The issue was raised in Parliament in 1999 but no effective eviction drive seems to have been taken as 2,20,152 encroachment cases were noticed as on 1st April, 2004. Further, 16,109 new cases of encroachment crept in during the period 2004-05 to 2006-07 thus leaving 1,88,996 cases involving land area of about 1,594 hectares at the end of the year 2006-07. The encroachment problem has grown deeper and acquired multidimensions as many of such cases were not shown or shown inaccurately in the railway records by the concerned Senior Section Engineers and Section Engineers. In the opinion of the Committee, the situation is so grave that even the Railway Safety Zones have not been spared from the menace of encroachment despite the Railway Board's instructions issued in August 2002. In fact, 26,108 encroachment cases were found in the Safety Zones located in 15 zones at the end of 2006-07. The collateral damage caused by the encroachment into the Railway land is highly visible as completion of many projects have been delayed resulting in cost overrun and loss of earning capacity to the Railways. The main cause of increase in these cases of encroachment was non-erection of boundary walls around the vacant railway land. There had been heavy and widespread shortfall in construction of boundary wall around railway land across 14 Railway Zones on account of shortage of funds, non-finalization of estimates, non-finalization of tenders, failures of contractors, non-availability of material etc. As regards, eviction of the encroachers, the Railways, being dependent upon the State Governments for law enforcing agencies like Police and Magistrates etc. have been facing difficulties in getting enough support from these quarters. Moreover, Courts also halt the eviction process in many cases. All these factors have put the Railways in a very precarious condition. In the Committee's analysis, the root cause of these cases of encroachment can be traced to lack of proper survey/verification of railway land, non-availability of proper land records, improper maintenance of land record registers and indifference to the malaise; fuelled by inactivity on the part of Section Engineers, RPF personnel and other Railway authorities in carrying out timely inspection, identification and prevention of the encroachment activities. The Committee, therefore, urge upon the Ministry of Railways to formulate a comprehensive action plan both for early removal of all these encroachments and prevention of fresh encroachments into any of the Railway land especially including those in the Safety Zones. A coordinated approach is required to be taken to elicit active participation and co-operation for other stakeholders like the State Governments, District Authorities, local police, judiciary etc. Simultaneously, Divisional Railway Manager should be made responsible for any fresh encroachment on Railway land in his Division.

[Sl. No. 20, Part II, Para 20 of 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

Suggestion of the Committee has been noted. Detailed comprehensive instructions have been issued *vide* Railway Board's letter No. 2007/LML/06/10

dt. 01.04.2010 covering whole gamut on Land Management. Zonal Railways have been asked to identify vulnerable locations prone to encroachments and to construct boundary walls at such locations on a programmed basis in order to prevent encroachments. As an additional safeguard for preventing encroachment, railway land is also licensed to railway employee for cultivation purposes. Railways have been directed to formulate the action plan for prevention of encroachments and to remain vigilant for preventing encroachment at the vulnerable locations.

It may be appreciated that encroachment removal process has a social aspect also. Railways are dependent on the assistance of the State Govts. for police and magistrate, etc. who are normally reluctant to provide adequate support and assistance. Efforts of removal of encroachment are halted by court cases also. Despite above constraints Railways have been able to successfully reduce the area under encroachments by 1080 hectares in the past 5 years as is evident from the position given below:—

| Details as on | Area (Hectare) under encroachments |
|---------------|------------------------------------|
| 31.03.05 | 2075 |
| 31.03.10 | 995 |

Due care is being taken to ensure that the projects do not get affected due to encroachments. As a result, only 6 projects have been affected due to encroachment. Railways are taking necessary action for removal of encroachments at these project sites.

Audit *vide* their U.O. No. 28-RA-II/12-2/2007/(MIP) dated 02.2.2011 have vetted the Action Taken Note with the following comments:—

"Seen, thanks. However, copy of the detailed instructions issued, regarding leasing/licensing of railway land to PSUs along with a copy of contract agreement containing the clause for retrieval of land in case the same is required by Railway before the expiry of the term of the lease, may be furnished for kind appreciation of PAC."

Ministry's Comments

Requisite instructions are at Annexures A,B,C, D and E.

Sd/-
(Rashmi Kapoor)
Adviser Finance,
Railway Board.

[Ministry of Railways' case No. 2010-BC-PAC/XV/16, dated 24.2.2011]

Comments of the Committee

Please *see* paragraph No. 20 of Chapter I.

Observation/Recommendation (Para No. 22)

The Committee observe that about 1.13 lakh acres of Railway land, which is approximately 10 per cent of the total 10.68 lakh acres of land possessed by the Indian Railways is lying vacant. This vacant land has been kept for future expansion of Railway infrastructure in order to meet the demands of traffic growth in the country. Till that happens, the Railways lease out the vacant land for several purposes such as—Grow More Food Scheme, Pisciculture, Welfare Activities for Indian Railways Employees etc. These vacant lands are also licensed out for commercial use to—Oil companies, Steel Yards, PSUs like Container Corporation of India, Indian Railway Catering and Tourism Corporation, Central Warehousing Corporation etc. In this connection, the Committee note that the Railways have not been able to derive maximum benefit due to certain problems and gray areas such as poor maintenance of records, failure to repossess the land after the expiry of the licensing period, under recovery of licence fee etc. Due to these constraints, the Indian Railways have failed to harness their vast land resources through quick and result oriented development. The Committee, therefore, desire that the Railways need to be proactive in this regard to earn more revenue from their vacant land by being more vigilant and strengthening their licensing system and the maintenance of proper records regarding area under licensing by keeping track of date of licensing, due date for taking back, quantum of land released by the licensee after the expiry of the licenses and the current status of the utilization of these lands etc. The Committee would like to be apprised of the details of the latest status in this regard.

[Sl. No. 22, Part II, Para 22 of 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

Indian Railways have taken a proactive approach regarding management of land and in this regard, all vacant railway land has been declared as its land bank thereby keeping proper account of utilization of each plot of land. Comprehensive detailed instructions have been issued *vide* Railway Board's letter No. 2007/LML/06/10, dt. 01.04.2010 to Zonal Railways covering whole gamut of Land Management including proper upkeep of land records and the land given on license basis. Railways have been asked to ensure that no railway land is handed over on lease/license without execution of proper legally valid agreement. As an additional safeguard, railways have also been directed to ensure that draft agreement duly signed by the party is available with railways before processing the case of licensing/leasing.

As a result, there has been steady improvement in revenues generated through land thereof as is evident from the details given in table below:—

| Sl. No. | Year | Revenue earned (In crore of Rupees) |
|---------|---------|--|
| 1. | 2005-06 | 201.45 |
| 2. | 2006-07 | 356.00 |
| 3. | 2007-08 | 476.51 |
| 4. | 2008-09 | 541.95 |
| 5. | 2009-10 | 685.08 |

Audit *vide* their U.O.No.-28-RA-II/12-2/2007/(MIP) dated 02.2.2011 have vetted the Action Taken Note with the following comments:—

"Seen, thanks. However, copy of the detailed instructions issued, regarding leasing/licensing of railway land to PSUs along with a copy of contract agreement containing the clause for retrieval of land in case the same is required by Railway before the expiry of the term of the lease, may be furnished for kind appreciation of PAC."

Ministry's Comments

Requisite instructions are at Annexures A,B,C,D and E.

Sd/-
(Rashmi Kapoor)
Adviser Finance,
Railway Board.

[Ministry of Railways' case No. 2010-BC-PAC/XV/16, dated 24.2.2011]

Observation/Recommendation (Para No. 23)

The Committee in their examination find persistent delays in renewal/execution of the agreement regarding commercial licensing of land by the Indian Railways. To give details, licensing agreement was yet to be executed in the Indian Railways in respect of 14,905 cases out of 33,504 cases under licensing; there were delays in renewal/execution of license agreements ranging from 3 to 5 years in 90 cases and 5 to 10 years in 2,427 cases; there were delays beyond 10 years in 16,588 cases etc. Besides, in 42 cases, the license fee fixed was much lower than the current market value resulting in heavy loss of revenue. The Committee find that the Ministry have not so far initiated any concrete action for addressing these problems except for reiterating the Policy Circular for Commercial Licensing (issued *vide* Letter No. 2005/LML/1818, dated 12.02.2005 and 04.12.2009) which only emphasized that in future no leasing/licensing of land would be processed unless the draft lease/license agreements submitted by the parties duly signed. The Committee observe that due to continuance of delay in renewal and execution of license agreements, the Railways have been losing huge sums of revenue. The Committee, therefore, recommend the Indian Railways to set a time line for executing/renewal in respect of the land commercially licensed and also to ensure that the license fee in respect of land licensed to the PSUs is pegged to the market value of land and recovery of the amount due is effected accordingly. For this, the Committee would like the Ministry to review the system of entering into license agreements with CONCOR, CWC, IRCTC so that any provision denying the Railways of the deserving revenue are identified and rectified at the earliest. The issues of under recovery and non-recovery of license fees, non-revision of license fees and the failure to execute agreements should be monitored regularly at the Board level. Further, the Committee desire that the Railways should ensure uniformity in the levy of other charges wherever applicable besides recovering outstanding charges from the defaulters.

[Sl. No. 23, Part II, Para 23 of 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

Detailed instructions have been issued to Railways that draft agreement duly signed by the party should be available with the Railways before processing the case of licensing/leasing and Railways should ensure that no railway land is handed over on lease/license without execution of proper legally valid agreement. In addition, the issue of signing of pending agreements has been taken up with Railways and they have been directed to ensure signing of all pending agreements in a planned manner.

Observations of Audit to review the system of entering into license agreements with CONCOR, CWC, IRCTC are noted. Though the policy of licensing of railway land is in place, the working of these PSU's are integral with the railway working and help railways in augmenting the revenues. Land given to CONCOR is predominantly used for container traffic which contributes in freight traffic moved by Railways. As far as leasing of railway land for development of rail side warehousing by CWC is concerned, lesser lease rental is compensated by the existing system of revenue sharing besides

increase in freight earnings from incremental rail borne traffic handled at these terminals because of value added services like storage, handling and door to door service provided by CWC. It is in view of this that the concept of commercial licensing has not been made applicable to these PSUs as Indian Railways interests are served in a larger perspective geared towards provision of services to its customers.

Audit *vide* their U.O. No. 28-RA-II/12-2/2007(MIP) dated 02.2.2011 have vetted the Action Taken Note with the following comments:—

"Seen, thanks. However, copy of the detailed instructions issued, regarding leasing/licensing of railway land to PSUs along with a copy of contract agreement containing the clause for retrieval of land in case the same is required by Railway before the expiry of the term of the lease, may be furnished for kind appreciation of PAC."

Ministry's Comments

Requisite instructions are at Annexures A,B,C,D and E.

Sd/-

(Rashmi Kapoor)
Adviser Finance,
Railway Board.

[Ministry of Railways' case No. 2010-BC-PAC/XV/16, dated 24.2.2011]

Observation/Recommendation (Para No. 24)

With 1.13 lakh acres of vacant land, the Indian Railways planned to utilize its vacant land, wherever feasible, for setting up of various infrastructure projects which include Rail coach and component factories, multi model logistic parks, auto hubs, cold storage & perishable cargo centres etc. These ventures are being taken up in order to generate additional revenue for the Railways. Further, the vacant land, which is not required for the Railways' operational needs in the near future, has been entrusted to the recently formed Rail Land Development Authority to undertake commercial developments. The Committee welcome these ventures and hope that these would help to finance some of the vital and capital intensive railway projects like Project Unigauge, track renewal, upgradation of signalling & telecommunication equipment and other sorts of infrastructure modernization and renovation activities aimed at enhancing railway safety and revenue generation which would require huge investment. While encouraging the Railways to explore all available options in this regard to optimize their revenue generation and operational needs, the Committee expect the Railways to be prudent enough to protect their long-term interests so as to pre-empt any of the licensees from taking undue advantage of possible loopholes in the lease deeds even to the extent of taking over of the ownership rights etc. The Committee, therefore, desire that the Ministry put in place certain safeguards provisions for early and efficient retrieval of the leased out/trespassed/encroached upon land.

[Sl.No. 24, Part II, Para 24 of 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

Suggestion of the Committee has been noted. In order to safeguard Railway's long term interest on ownership title of railway land and to provide for resumption of land by Railway in future for its own operational usage, necessary provisions have been made in the contract agreements regarding resumption of land by Railways on expiry of lease terms or on payment of due compensation to the developer, if land is required by Railway before expiry of lease term.

Audit *vide* their U.O. No.28-RA-II/12-2/2007(MIP) dated 02.2.2011 have vetted the Action Taken Note with the following comments:—

"Seen, thanks. However, copy of the detailed instructions issued, regarding leasing/licensing of railway land to PSUs along with a copy of contract agreement containing the clause for retrieval of land in case the same is required by Railway before the expiry of the term of the lease, may be furnished for kind appreciation of PAC."

Ministry's Comments

Requisite instructions are at Annexures A,B,C,D and E.

Sd/-
(Rashmi Kapoor)
Adviser Finance
Railway Board

[Ministry of Railways' case No.2010-BC-PAC/XV/16, dated 24.2.2011]

ANNEXURES

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No. E(MPP)2009/3/1

New Delhi, dt. 20.01.09

General Managers,
All Indian Railways.

Director General,
Railway Staff College, Vadodara.

Director,
Indian Railways Institute of Transport and Management,
Manak Nagar, Lucknow.

Jagjivan Ram RPF Academy,
Lucknow.

Sub: Disaster Management Training.

Subsequent to enactment of the Disaster Management Act, 2005 and the creation of National Disaster Management Authority (NDMA), the subject of disaster management has gained high priority in the country. As per provisions of this Act, all Central Ministries/Departments have to take necessary measures to address disaster management related issues and also to strengthen and upgrade its set-up in their respective spheres of working. Indian Railways have already taken several initiatives in this direction. However there has been a felt need for greater integration of disaster management preparedness into developmental planning, leveraging the strengths of other non-railway agencies and to harness the availability and strengths of railway on-board staff who are the first railway responders during any eventuality.

With this in view, Board have decided to revamp the training on disaster management being imparted to various tiers of railway officials through railway training institutes as indicated below:—

| S.No. | Categories of Officials | New Training methodology and schedule |
|-------|---|---|
| 1 | 2 | 3 |
| 1. | Top Level Management (GMs, PHODs, DRMs and other SAG Officers). | 3-day Disaster Management Modules are to be delivered at RSC/Vadodara and IRITM/LKO @ one every 3 months as per annexure 1. |

| 1 | 2 | 3 |
|----|--|--|
| | | <p>Frequency of Training: Once every five years for SAG Officers and above.</p> |
| 2. | Middle Level Management (SG & JAG officers). | <p>Some of the latest and relevant topics are to be included in the AMP and MDP programmes being delivered at RSC/BRC as per annexure 2.</p> <p>IRITM, LKO will also deliver special module being developed by them @ one every month.</p> <p>Frequency of Training: Every SG/JAG officer need to undergo the module once every five years either at RSC as regular MDP/AMP course or special DM module at IRITM.</p> |
| 3. | Lower Level Management (SS & JS officers including serving Group B officers). | <p>Disaster management training to be imparted at IRITM/ LKO on the topics @ one course every month as per annexure 3.</p> <p>Frequency of Training: Once every five years.</p> |
| 4. | Probationers and Group B officers attending induction courses. | <p>Topics as per annexure 4 are to be covered during the regular training programme at RSC/Vadodara.</p> <p>Frequency of Training: As part of the course.</p> |
| 5. | Supervisors of all frontline departments (Mechanical, Electrical, Engg., S & T, Traffic Comml. & Optg.). | <p>Topics as per annexure 5 are to be covered during the one-week special course at ZRTIs @ one every month. Passing this course is compulsory for promotion to the level equivalent to Section Engineer and above.</p> <p>Frequency of Training: Once every five years.</p> |
| 6. | Railway Staff on board passenger carrying train (TS, Dy. TS, TTEs & catering staff of Commercial Department, Coach attendants and AC Mechanics from Electrical | <p>Disaster Management being a multidisciplinary effort during field operations, training in groups of such on-board staff is more desirable and efficient than training them category-wise. Role of on-board railway staff has been a matter of great criticism in most of the serious train accidents. On-board staff is the first railway representatives to respond to any untoward incident and their empowerment will improve Railways response in a big way. Such staff is to be trained in appropriate multidisciplinary groups at such locations in the</p> |

| 1 | 2 | 3 |
|----|--|--|
| | <p>Departments, some of the selected coach cleaners of Mechanical Departments, some of the RPF escorting staff and catering staff of contractor wherever out-sourced).</p> | <p>divisions where there is concentration of such staff, to obviate the need for their hostel accommodation, non-availability for longer periods, etc. Such training can be imparted at the selected country-wide locations to cover maximum number of staff in short period of time. This training can also be imparted in the Customer Care Institutes. Only selected staff of Mechanical, Electrical (AC), RPF is to be imparted this training who are deputed to escort trains. This training will be made mandatory in a phased manner for any staff to go on-board a passenger train. The staff of catering contractor is also to be imparted this training in Phase 2 to leverage their physical presence. Topics to be covered under this training are at annexure 6.</p> <p>Frequency of Training: Once every three years.</p> |
| 7. | <p>Nominated ARMV and ART staff of Mechanical and Medical departments.</p> | <p>Composite training of Mechanical and Medical Staff for relief and rescue operations is planned to be given at upcoming Disaster Management Railway Institute at Bangalore. Such staff is to be trained at STC/Bangalore under SWR, who are also setting up disaster management training module, to augment and facilitate their training till such time regular DM institute comes into existence. Facilities at STC/Kharagpur may also be utilized for such training.</p> <p>Doctors and paramedics nominated for ARMVs and other rescue operations should be exclusively trained on trauma care management either at some specialised institutions or in-house.</p> <p>Frequency of Training: Once every three years.</p> |
| 8. | <p>Disaster management team of RPF staff & other RPF personnel associated with relief, rescue operations.</p> | <p>As per recommendation no. 46 of HLC on disaster management there should be a disaster management team of RPF on each division comprising about 16 men in different ranks. Such teams should be trained in providing necessary support on relief rescue operations. The existing 5 day training module should be appropriately revised to make it suitable to achieve the above objective. Each of the above teams should be trained on this module at RPF Academy at Lucknow.</p> |

| 1 | 2 | 3 |
|---|---|---|
| | | <p>In addition, training module may be appropriately developed separately for RPF Officers and staff and should be imparted at RPF Academy at Lucknow.</p> |
| | | <p>The respective training modules should include role of RPF at the accident site, security at the railway premises like railway stations, trains etc.</p> |
| | | <p>Frequency of Training: Once every three years for disaster management team of RPF. Once every five years for other RPF officers and staff.</p> |

Zonal Railways & Training institutions are requested to take immediate action on the above and confirm its implementation for the information of the Board.

Encl.: As stated

Sd./-
Rajiv Kishore
Director (Man Power Planning)
Railway Board

Top Management (GMs, PHODs, DRMs and other SAG officers)
Module to be delivered at RSC/BRC and IRITM/LKO@ one every 3 months

Objective: After the training, the officer should be able to:—

- (i) Distinguish between the national level crisis, serious railway accident where help from other agencies are also needed and normal railway accident where railway resources are adequate.
- (ii) Assess the extent of resource mobilization needed under each of these events and should be acquainted with the best practices/resources in this matter.
- (iii) Review the level of preparedness with respect to these events in their own set up.
- (iv) Clearly identify his personal role and responsibility in managing the event.
- (v) Assess the strengths and weaknesses of his working domain with respect to their role in a disastrous situation within and outside railway.
- (vi) Make/help make action plan to manage vulnerabilities in his working domain.
- (vii) Identify events that may lead to disaster if associated systems and procedures are not set up right while there is time.
- (viii) Command the field operations involving different department of the railway and outside resources.

Contents of training module:

- (a) Aspects of Disaster Management —Prevention, Mitigation, Relief and Rescue more emphasis on prevention & mitigation.
- (b) Developments on Disaster Management on national front—Disaster Management Act, 2005—Provisions concerning Railways, NDMA, NDRF, IDRN, NIDM, Emergency Operating Centres, National Disaster Management Policy, Other developments, Disaster Management Plans, Relief and Rescue Teams etc.
- (c) Role of Railways in Railway and Non-Railway Disasters.
- (d) Role of Civil Administration in Railway Disasters.
- (e) Possible disasters on the railway system and their prevention and mitigation.
- (f) Integration of Disaster Management into developmental planning.
- (g) Information Dissemination, Crisis Communication, Interactive Sessions, Media Handling.

Middle Management (SG and JAG officers)

Module to be delivered during AMP & MDP at RSC and at IRITM, Lucknow.

Objective: After the training, the Officer should be able to:—

- (i) Distinguish between the national level crisis, serious railway accident where help from other agencies are also needed and normal railway accident where railway resources are adequate.
- (ii) Assess the extent of resource mobilization needed under each of these events and should be acquainted with the best practices/resources in this matter.
- (iii) Review the level of preparedness with respect to these events in their own set up.
- (iv) Clearly identify his personal role and responsibility in managing the event.
- (v) Assess the strengths and weaknesses of his working domain with respect to their role in a disastrous situation within and outside railway.
- (vi) Make/help make action plan to manage vulnerabilities in his working domain.
- (vii) Identify events that may lead to disaster if associated systems and procedures are not set up right while there is time.
- (viii) Understand the role of individual departments in relief and rescue operations during serious accidents/disasters and unified command of response from all departments of railways and outside.
- (ix) Conversant with the equipment with the railways for field operations.

Contents of training module:

- (a) Aspects to Disaster Management — Prevention, Mitigation, Relief and Rescue.
- (b) Developments on Disaster Management on national front—Disaster Management Act, 2005 — Provisions concerning railways, NDMA, NDRF, IDRN, NIDM, Emergency Operating Centres, National Disaster Management Policy, Other developments, Disaster Management Plans, Relief and Rescue Teams etc.
- (c) Role of Railways in Railway and Non-Railway Disasters.
- (d) Role of Civil Administration in Railway Disasters.
- (e) Possible disasters on the railway system and their prevention and mitigation.
- (f) Integration of Disaster Management into developmental planning.
- (g) Information Dissemination, Crisis Communication, Interactive Sessions, Media Handling.
- (h) Commission of Railway Safety.
 - (i) Judicial Commission.
 - (j) Discussions on Corporate documents (corporate safety Plan etc.)
- (k) Divisional & Headquarter Disaster Management Plans of Railways.
 - (l) Safety Management Plan.
- (m) Discussions on disaster management efforts in some of the latest railway related disasters.

- (n) Table top/class room simulation exercise.
- (o) Disaster Management films.

**Lower Level Management (SS, JS Officers' including serving Gp. B)
Special Module to be delivered at IRITM/LKO**

Objective: After the training, the officer should be able to:—

- (i) Distinguish between the national level crisis, serious railway accident where help from other agencies are also needed and normal railway accident where railway resources are adequate.
- (ii) Assess the extent of resource mobilization needed under each of these events and should be acquainted with the best practices/resources in this matter.
- (iii) Review the level of preparedness with respect to these events in their own set up.
- (iv) Clearly identify his personal role and responsibility in managing the event.
- (v) Assess the strengths and weaknesses of his working domain with respect to their role in a disastrous situation within and outside railway.
- (vi) Make/help make action plan to manage vulnerabilities in his working domain.
- (vii) Identify events that may lead to disaster if associated systems and procedures are not set up right while there is time.
- (viii) Understand the role of individual departments in relief and rescue operations during the serious accidents/disasters and unified command of response from all Departments of Railways and outside.
- (ix) Work as a team under the team leader.
- (x) Conversant with the equipment with the Railways for field operations.

Contents of training module:—

- (a) Aspects of Disaster Management — Prevention, Mitigation, Relief and Rescue.
- (b) Brief on Developments on Disaster Management on national front — Disaster Management Act, 2005 — Provisions concerning Railways, NDMA, NDRF, IDRN, NIDM, Emergency Operating Centers, National Disaster Management Policy, Other developments, Disaster Management Plans, Relief and Rescue Teams etc.
- (c) Role of Railways in Railway and Non-Railway Disasters (In brief).
- (d) Role of Civil Administration in Railway Disasters (In brief).
- (e) Possible disasters on the railway system and their prevention and mitigation.
- (f) Integration of Disaster Management into developmental planning.
- (g) Commission of Railway Safety (In brief).

- (h) Judicial Commission (In brief).
- (i) Discussion on Corporate documents (Corporate Safety Plan etc.).
- (j) Safety Management Plan of the division.
- (k) Discussions on Disaster Management efforts in some of the latest railway related disasters.
- (l) Divisional and Headquarter Disaster Management Plans of Railways.
- (m) Table top/class room simulation exercise.
- (n) Disaster Management films.

Probationers of All Services

Module to be delivered during Induction Course and Group B course at RSC

Objective: After the training, the Officer should be able to:—

- (i) Distinguish between the national level crisis, serious railway accident where help from other agencies are also needed and normal railway accident where railway resources are adequate.
- (ii) Assess the extent of resource mobilization needed under each of these events and should be acquainted with the best practices/resources in this matter.
- (iii) Review the level of preparedness with respect to these events in their own set up.
- (iv) Clearly identify his personal role and responsibility in managing the event.
- (v) Assess the strengths and weaknesses of his working domain with respect to their role in a disastrous situation within and outside railway.
- (vi) Make/help make action plan to manage vulnerabilities in his working domain.
- (vii) Identify events that may lead to disaster if associated systems and procedures are not set up right while there is time.
- (viii) Understand the role of individual departments in relief and rescue operations during serious accidents/disasters and unified command of response from all departments of Railways and outside.
- (ix) Conversant with the equipment with the railways for field operations.

Contents of training module:—

- (a) Aspects of Disaster Management — Prevention, Mitigation, Relief and Rescue. Brief discussion Emphasis on relief and rescue.
- (b) Disasters (accident & non-accident) affecting railway working.
- (c) Relief, Rescue and Restoration systems on the Railways—ARTs, ARMEs, 140 Tonne Crane.
- (d) Accident Manual, Disaster Management Plans of Division & HQ.
- (e) Inquiries of railway accidents — Judicial, CRS & Departmental.

- (f) Role of Railways in Railway and Non-Railway Disasters.
- (g) Role of Civil Administration in Railway Disasters.
- (h) Brief on Developments on Disaster Management on national front — Disaster Management Act, 2005 — Provisions concerning Railways, NDMA, NDRF, IDR, NIDM, Emergency Operating Centers, National Disaster Management Policy, Other Developments, Disaster Management Plans, Relief and Rescue Teams etc.
- (i) Disaster Management films.

**Supervisors of All Frontline Departments
(Mechanical, Electrical, Engg., S&T, Traffic Comm. & Optg.)
Module to be delivered at ZRTIs @ one every month**

Objective: After the training, the trainee should be able to:—

- (i) Distinguish between the national level crisis, serious railway accident where help from other agencies are also needed and normal railway accident where railway resources are adequate.
- (ii) Assess the extent of resource mobilization needed under each of these events and should be acquainted with the best practices/resources in this matter.
- (iii) Review the level of preparedness with respect to these events in their own set up.
- (iv) Clearly identify his personal role and responsibility in managing the event.
- (v) Assess the strengths and weaknesses of his working domain with respect to their role in a disastrous situation within and outside railway.
- (vi) Make/help make action plan to manage vulnerabilities in his working domain.
- (vii) Identify events that may lead to disaster if associated systems and procedures are not set up right while there is time.
- (viii) Understand the role of individual departments in relief and rescue operations during serious accidents/disasters and unified command of response from all Departments of Railways and outside.
- (ix) Learn to work as a team at the site of disaster/accident.
- (x) Conversant with the equipment with the Railways for field operations.
- (xi) Learn to render medical first-aid and use fire extinguisher by himself.

Contents of training module:

- (a) **Introduction to disaster management**— Main Ingredients of DM, Last 5 Major accidents on IR with emphasis on relief, rescue and restoration, discussion with participants.
- (b) Features of **disaster management plans** at various levels.

- (c) **Developments on Disaster Management at National front**—Brief discussion.
- (d) **Location of Emergency Provisions in Coaches**— C&W — Emergency windows and hatches, Electrical — Isolation through emergency switches.
- (e) **Duties at accident site.**
- (f) **Duties of Control Officials.**
- (g) **Codal provisions** of accident manual, IRCM etc.
- (h) **Communication skills and PR/Media handling**, Good conduct.
- (i) **Rescue techniques:** Medical — First Aid, Shifting, Handling and transportation of injured, Evaluation of seriousness of injury, Artificial respiration, Haemorrhage, Bandage and Electrocutation, Consoling the injured patients, Demonstration, Practical examination.
- (j) **Rescue techniques** — Fire fighting (each trainee has to exhaust one fire extinguisher), Causes and kind of fire, Types of fire extinguishing equipments, Types of fire extinguishers, Fire Brigades, Isolation of burning vehicle, Demonstration, Practical examination.
- (k) **Table top/class room simulation exercise.**
- (l) **Disaster Management films.**
- (m) Discussion and Question/Answer Session.

On-board Railway Staff (Multi-disciplinary)

Module to be delivered at selected countrywide locations through out-sourcing

Objective: After the training, the trainee should be able to:—

- (i) Assimilate accident management related information before start of the journey.
- (ii) Understand to work as a team and clearly identify his personal role and responsibility in managing the accident in the team of railways' first responders.
- (iii) Know the physical operation of all emergency provisions in the coaches/train.
- (iv) Know the physical operation of fire extinguishers.
- (v) Assess the extent of resources (railway and non-railway) mobilization needed during railway accidents.

Contents of training module:

- (a) **Introduction to Disaster Management**—Main ingredients of Disaster Management, Experiences at accident sites, last five major accidents on IR with emphasis on rescuer, relief and restoration, Discussions with participants.
- (b) **Rescue technique** — Medical— First aid, Shifting, Handling and transporting the injured, Evaluating the seriousness of injury, Artificial respiration, Haemorrhage, Bandage and electrocution, Consoling the injured patients, Demonstration and examination.

- (c) **Rescue techniques — Fire fighting** (each trainee has to exhaust one fire extinguisher), Cause and kinds of fire, Types of fire extinguishing equipments, Types of fire extinguishers, Fire Brigades, Isolation of burning vehicle, Demonstration and examination.
- (d) **Duties of on board Staff:** At the starting station like team reporting, details of doctors, emergency systems, etc. and at the accident site.
- (e) **Codal provisions** of accident manual, IRCM etc., Good conduct, Communication skills.
- (f) **Location of Emergency Provisions** in Coaches — C&W — Emergency windows and hatches, Electrical — Isolation through emergency switches etc.
- (g) **Table top/class room simulation exercise.**
- (h) **Disaster Management films.**
- (i) Discussion and Question/Answer Session.

ANNEXURE A

GOVERNMENT OF INDIA (भारत सरकार)
MINISTRY OF RAILWAYS (रेल मंत्रालय)
RAILWAY BOARD (रेलवे बोर्ड)

No. 2002/TG-III/600/6

New Delhi, dt. 19.03.2004

The General Managers,
All Indian Railways.

The Managing Director,
Indian Railway Catering and Tourism Corporation Ltd.,
New Delhi.

**Sub.: Memorandum of Understanding between Ministry of Railways and Indian
Railway Catering and Tourism Corporation Ltd.**

Ref.: Ministry of Railways letter No. 2000/TG.III/600/5 dt. 16.4.2001.

The Ministry of Railways had signed a Memorandum of Understanding for the year 2001-02 with the Indian Railway Catering and Tourism Corporation on 12th April, 2001 which was circulated *vide* Board's letter dated. 16.4.2001 quoted above.

A further MoU signed on 19.3.2004 is enclosed which may be widely circulated on your Railways.

This Issues with the concurrence of the Finance Dte. of Railway Board.

Receipt of this letter may kindly be acknowledged.

Sd/-
Director (Tourism & Catering)
Railway Board

Encl.: As above.

Copy to:

1. Director, PSU, Railway Board.
2. All Addl. Members, DG/RPF, DG/RHS, Railway Board.
3. CRB, FC, MM, MT, ME, ML, MS and Secretary, Railway Board.

MEMORANDUM
OF
UNDERSTANDING
BETWEEN
MINISTRY OF RAILWAYS
AND
INDIAN RAILWAY CATERING

AND TOURISM CORPORATION LTD.

MEMORANDUM OF UNDERSTANDING BETWEEN INDIAN RAILWAYS

AND

INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD. (IRCTC)

This Memorandum of Understanding is made on 19th day of March Two Thousand Four (2004) between

A. The President of India acting through the Secretary, Railway Board, Ministry of Railways, hereinafter referred to as the "Railways" (which expression shall unless excluded by or repugnant to the context be deemed to include its successors-in-interest and assigns)

and

B. Indian Railway Catering and Tourism Corporation Limited, company incorporated under the Companies Act, 1956, having its registered office at New Delhi hereinafter referred to as the "IRCTC" (which expression shall unless excluded by or repugnant to the context be deemed to include its successors-in-interest and assigns).

1.1 Whereas the IRCTC Ltd. has been formed as an extended arm of the Indian Railways (IR) to upgrade, professionalise and manage the catering and hospitality services at stations, on trains and other locations; and to promote domestic and international tourism through development of hotels, information and commercial publicity and global reservation systems

and

Whereas Ministry of Railways feels that the IRCTC Ltd. would be a Special Purpose Vehicle (SPV) to explore and exploit under utilised assets of IR by forming joint ventures/alliances/networks/associated and subsidiary companies and stimulate private entrepreneurship and investment in the hospitality business

and

Therefore the Ministry of Railways and IRCTC Ltd. have in principle agreed that IRCTC Ltd. would primarily serve the rail users and passengers through value added services and strengthen IR's linkage with travel and tourism industry on the terms and conditions herein set out below:—

1.2 In order to fulfil the above objectives, the following Memorandum of Understanding (MoU) has been entered into between Indian Railways and the Corporation (IRCTC Ltd.)

2.1 Transfer of land and buildings

The land and buildings owned by the Indian Railways and so identified mutually will be leased/licensed to the IRCTC Ltd. on nominal license fee/lease charges with permission to sub-lease/sub-license the rights to third parties in regard to activities related to passenger amenities and essential services like food & beverages outlets,

pantry cars, passenger information services, retiring rooms/budget hotels, pre-departure & post-arrival services, development of passenger terminals, etc. in consideration of sharing of revenues in the pattern mentioned in clause 2.3.1.

IRCTC Ltd. will not only continue to provide these essential services but will also induce investment in their upgradation and professionalisation. IRCTC Ltd. will with the participation of private entrepreneur manage these activities and Indian Railways' liabilities will reduce to the extent.

To enable the Corporation in providing upgraded facilities and improving customers' satisfaction, IR will license/lease land/buildings/rolling stock to the IRCTC Ltd. at mutually agreed license fee for specified periods.

2.2 Use of Rolling stock by IRCTC Ltd.

(i) Considering that rolling stock and transport capacity on hill railways, branch lines and other isolated sections remains under utilised, IRCTC Ltd. will make all efforts to exploit the full potential of such assets and earn incremental revenues. In due course IRCTC Ltd. may take over the management, operation and marketing of these lines on concessions or other mutually agreed terms.

(ii) On main line and trunk routes, the IRCTC Ltd. may handle demands from chartered groups, party coaches, special trains, etc. For this purpose, Indian Railways will quote a flat rate per train/coach per day subject to a minimum 500 kilometers usage per day or as may be decided by railway from time to time based on fully distributed haulage costs or adult fare for full coach + 15%, whichever is higher. Such rates will be inclusive of all charges such as detention charges, haulage charges, empty haulage charges, service charges, maintenance charges, etc. IRCTC Ltd. will be free to charge whatever the market can bear over and above the flat rate.

(iii) Maintenance of equipments in pantry cars/mini pantries

While IR will continue to maintain the rolling stock, IRCTC Ltd. may provide and maintain the equipment, which are required for provision of catering/vending on mutually agreed terms.

2.3 Sharing of costs/risks/revenues

The expenditure for construction, development and maintenance for new facilities (related with passenger amenities and essential services) will be the responsibility of the IRCTC Ltd. or its associates under suitable back to back contract between the IRCTC Ltd. and its associates. The commercial risk in the ventures will also be borne by IRCTC Ltd./associates. The license fee/royalties earned by IRCTC Ltd. shall be shared between IRCTC Ltd. and IR as under:—

2.3.1 Broadly the activities to be handled by IRCTC can be grouped under following four categories:—

Category 1— Passenger amenities like management of stalls, refreshment rooms at railway stations, pantry car services, Rail Neer etc. where services are restricted to paid passengers and items for sale and tariff are determined and controlled by Railways. For this activity there is very limited scope of profit to the service provider.

Category 2 — Other passenger amenities related projects like retiring rooms, Yatri Niwas, etc. where tariff is partly controlled by Government, there is some business opportunity due to dual pricing of products.

Category 3 — Commercial projects like Food Plazas, open air restaurants, commercial publicity, special festivals/events budget hotels etc. where there may not be any Government control on tariff, there is a potential for business and the profits may be higher.

Category 4 — Tourism related projects like comprehensive package tours, special trains, etc. where the role of IR will only be as a carrier and the promotional activities would be undertaken by IRCTC.

In view of this following model for revenue sharing is suggested for different activities to be undertaken as pilot projects for a period upto 31.3.2004 after which the sharing ratio could be reviewed mutually between IR and IRCTC.

| Categories | Remarks | Proposed Percentage sharing of licence fee/ royalties earned in different projects | |
|------------|--|--|--|
| | | IRCTC | IR |
| Category 1 | Essentially a passenger amenity area: IR will save overhead costs to the tune of 60% to 80% of turnover in case of departmental units. In the case of licensee operated units IR will save cost of documentation, supervision etc. | 85% | 15% |
| Category 2 | Passenger amenity related area: IR will save investments and existing losses. Projects will ensure utilization of sleeping assets like unutilized land. Revenue of IRCTC will be earmarked for future development/investment on behalf of IR. | 75% | 25% |
| Category 3 | Commercial projects: Greater share of IRCTC in view of heavy initial investment on these projects and the need for resources generation for future development/investment on behalf of IR. | 60% | 40% |
| Category 4 | Tourism related projects: IR will act as a carrier only. All arrangements including boarding, lodging, sightseeing, transfer facility and marketing expenses to be borne by IRCTC. These projects will improve IR image and result in growth in passenger traffic. | IRCTC will be free to market the product and retain the margin after guaranteed payment to the IR. | IR will be guaranteed payment of full tariff + a specified minimum service charge. |

2.3.2 Where services/products are directly provided by IRCTC to IR.

Pricing of such services/products provided by IRCTC Ltd. to IR, *e.g.* retail ticketing shall be as mutually negotiated between the railway administration and IRCTC Ltd.

3. Payment Mechanism

As for each project, separate agreement/MoU will be made between IR and IRCTC and specific railway will be nominated for the purpose of receiving payment. For all projects falling under category 1, 2, & 3 final payment will be made after adjustment on quarterly basis within 20 days after closing of the quarter and some *ad hoc* monthly payment will be made by IRCTC for each category.

For category 4, IRCTC will intimate railway at least 30 days in advance for booking special train/coach and all payment will be made at least 48 hours before the departure of train/coach.

4. Catering Services

IRCTC will follow all the relevant guidelines and instructions issued by the Ministry of Railways from time to time including catering Policy 2000 circulated by Railway Board's letter No. 97/TGIII/600/12 dated 20.10.2000, as modified/amended from time to time unless any specific exemptions/changes for IRCTC in respect of the relevant items/clauses is agreed to by Ministry of Railways. IRCTC, however, will take all necessary measures to improve quality of service and enhance revenue.

5. Rail Neer

- (a) "Rail Neer" shall be the exclusive brand of packaged drinking water to be procured and sold by the department and non-departmental private catering licensees on the premises of Indian Railways including trains subject to availability and supply of Rail Neer from IRCTC.
- (b) In instances of "Rail Neer" not conforming to BIS specifications IRCTC shall be responsible for all complaints and litigation arising out of it and shall indemnify Indian Railways. IRCTC shall also replace such quantities of supply at its own cost.
- (c) In case IRCTC fails to fulfil its commitment in supply of Rail Neer then the zonal railways and the private licensees would be free to procure supply from available BIS approved brands of packaged drinking water as notified by BIS. Any extra expenditure incurred by Railways on this account would be reimbursed by the IRCTC.
- (d) In case IRCTC fails to fulfil the requirement of Packaged Drinking Water on Railways premises in departmental/private licensees and Railway is faced with any legal or financial burden, the IRCTC will indemnify the Railways for the losses suffered by it.
- (e) Railways will continue to conduct inspections and checks through commercial and medical departments including joint inspections under Quality Control and PFA who will ensure that the norms are followed at processing and distribution points to IRCTC, departmental and private licensees as per

guidelines contained in Para 9 and 10 of Commercial Circular No. 20 of 2001 issued *vice* letter No. 98/TG-III/631/11 dated 22.3.2001. Samples should be sent to registered laboratories having adequate infrastructure to carry out the tests as per extant rules.

- (f) Railway should also continue to advise BIS regarding any major irregularity detected in supply of packaged drinking water of any manufacturer for appropriate action. Railways should continue to be in touch with the Bureau of Indian Standards (BIS) to obtain a list of certified manufacturers who have been given licence to manufacture the packaged drinking water.

6. Performance Evaluation

While the performance would be reviewed by the Company regularly, the Ministry of Railways may review the performance quarterly. The evaluation of performance would, however, be done at the close of the financial year jointly by the Company and the Ministry before submitting final evaluation to the DPE based on composite score of five point scale.

6.1 Railway Administrations will have the right to inspect the catering facilities maintained and food items sold under the licensees/sub-licensee.

6.2 IRCTC should respond to inspections conducted by the concerned railway officers and take appropriate remedial/redressal measures to address the complainant under advise to the railway office. In case of any deficiency in performance and non-adherence of policies/guidelines issued from the Ministry of Railways, CCMs of Zonal Railways can take such action as suspension/cancellation of contracts of licensees/sub-licensees through IRCTC.

7. Provision of essential services like Electricity, Water, Drainage, etc.

IR will provide electricity, water, drainage and other facilities for the outlets managed by the Corporation. Corporation/associate will however pay the actual cost of these services.

8. Provision for access to approach

IR will also provide access to the staff of the Corporation or that of licensee/sub-licensee to the railway premises without any entry fee.

9. Telecom Facility

Railway communications network will be utilised by IRCTC Ltd. for its operation and information requirement on mutually agreed terms.

10. Railway personnel on Deputation

It may become necessary for IRCTC Ltd. to draw some of the essential personnel resources of IR for its operational and marketing requirements in its corporate office and regional headquarters. IR will provide assistance to IRCTC Ltd., in accordance with the extant rules for providing the services of senior officers/staff.

11. It is mutually agreed that the parties would enter into appropriate agreements for catering services and setting up of budget hotels at the appropriate time on case to case basis within the broad framework set out in this MoU. For this purpose Ministry of Railways will develop guidelines and model agreements for different activities.

12. Both parties can modify/amplify terms of the MoU, whenever considered necessary on mutually agreed terms.

13. This MoU will take effect the day it is signed by the parties but shall be applicable for the period after expiry of the earlier MoU for 2001-02.

14. This MoU will be subject to provision of Railway Act, 1989, and the rules framed therein and any directions issued in case of emergency will be binding on the IRCTC Ltd.

"In witness whereof Shri V.N. Mathur, Secretary, Railway Board, Ministry of Railways on behalf of President of India and Shri M.N. Chopra, Managing Director, Indian Railways Catering and Tourism Corporation Ltd. duly authorised by the IRCTC Ltd. have signed these presents on the day and year first above written.

Sd/-
(V.N. Mathur)
Secretary, Railway Board
Ministry of Railways,
New Delhi.

Sd/-
(M.N. CHOPRA)
Managing Director
Indian Railway Catering &
Tourism Corporation Ltd.,
New Delhi.

WITNESS

Sd/-
(Kamal Kant)
Executive Director (Tourism & Catering)
Railway Board.

For and on behalf of President of India

WITNESS

Sd/-
Director/Catering Services,
IRCTC Ltd.

For and on behalf of the Indian Railway
Catering and Tourism Corporation Ltd.

ANNEXURE B
Unique No. 05/LML/60

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No. 2001/LML/13/55

New Delhi, dated 1.12.2005

General Manager (Engg.)
All Zonal Railways

Sub.: Licensing of railway land to the Container Corporation of India Ltd. for setting up of ICDs etc.

Re.: Board's letters No. 2001/LML/13/55 dated 24.09.03 and 24.08.05.

In continuation of Board's letter of even no. dated 24.09.03 and in partial modification on Board's letter of even number dated 24.08.05 on the subject, Board have reviewed the licence fee of railway land licensed to the Container Corporation of India Ltd. (CONCOR) for existing depots and decided that lease charges for land already leased to CONCOR would be levied @ Rs. 250/- (Rupees two hundred and fifty only) per TEU per annum for the period from 01.04.2004 to 31.3.2007. The next revision would be due from 01.04.2007.

2. Any additional land allotted at existing depots during the period from 01.04.2004 to 31.3.2007 will also be charged on TEU basis *i.e.*, @ Rs. 250 per TEU. However, requirement of additional land shall be based on proper justification regarding need for operational requirements *i.e.*, business related for containers only (not for residential purposes) with a certificate from CONCOR to this effect subject to the recommendations of the SAG standing committee duly approved by AGM/GM.

3. CONCOR shall be given the option to take the Railway land on long term lease basis, both in respect of existing and new depots, in terms of Board's letter No. 2001/LML/13/53 dated 04.10.2001, for a period of 35 years on upfront payment of lease charges equivalent to 99% of the market value of the land alongwith a nominal licence fee of Rs. 1000/- per annum, instead of making annual payments on TEU basis.

4. This issues with the concurrence of the Finance Directorate of the Ministry of Railways.

Please acknowledge receipt.

Sd/-
(Rajesh Kumar)
Deputy Director (Land Management)
Railway Board

No. 2001/LML/13/55

New Delhi, dated 1.12.05

Copy to:

- (i) Deputy Comptroller and Auditor General of India (Railways), 224, Rail Bhawan, New Delhi (with 80 spares).
- (ii) FA & CAOs, All Zonal Railways.

Sd/-

For Financial Commissioner/Railways

Copy to:

- (i) The General Secretary, All Indian Railwaymen's Federation, Room No. 253, Rail Bhavan, New Delhi (35 copies).
- (ii) The General Secretary, National Federation of Indian Railwaymen, Room No. 256-E, Rail Bhavan, New Delhi (35 copies).
- (iii) The Secretary-General, Federation of Railway Officers Association, Room No. 256-A, Rail Bhavan, New Delhi (5 spares).
- (iv) The Secretary-General, Indian Railway Promotee Officers Association, Room No. 268, Rail Bhavan, New Delhi (5 spares).
- (v) The General Secretary, All India RPF Association, Room No. 256-D, Rail Bhavan, New Delhi-110001.

Sd/-

For Secretary, Railway Board

Copy to:

- (i) Sr. PPSs/PPSs/PSs to CRB, FC, MS, MM, MT, ML, ME, Secretary
- (ii) Sr. PPSs/PPSs to All Additional Members, Advisers, DG/RHS and DG/RPF
- (iii) PSs to all EDs, JSs and IG/RPF

Copy to: F(X)-I, TT and TC (FM) Branches, Railway Board

Unique No. RB/L&A/056/2005

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No. 2001/LML/13/55

New Delhi, dated 24.8.05

The General Managers (Engg.)
All Zonal Railways

Sub.: Licensing of railway land to the Container Corporation of India Ltd. for setting up of ICDs etc.

Re.: Board's letter No. 2001/LML/13/55 dated 24.09.2003.

The question of revision of rates of license fee for railway land licensed to CONCOR for setting up of new ICDs had been under consideration of Board for sometime past. It has now been decided that in future, the railway land shall be licenced to the Container Corporation of India Ltd. (CONCOR) for setting up of new ICDs etc. at 6% of the market value of the land or at the rate of Rs. 200/- per TEU of 2000-2001 updated, whichever is higher.

2. For the existing depots, wherever extra land has been given, the same shall be dealt with as per the following rates:

- (i) Rs. 200/- per TEU w.e.f. 01-04-2001—31.03.2002.
- (ii) Rs. 225/- per TEU w.e.f. 01.04.2002—31.03.2003.
- (iii) Rs. 250/- per TEU w.e.f. 01.04.2003—31.03.2004.

3. For the period 1.4.04 onwards, rates to be charged for existing depots are under consideration of Board. Till these are finalized and communicated, charges may be provisionally realised at Rs. 200/- per TEU, as communicated *vide* the letter under reference (however, in depots where additional land is taken by CONCOR, the provisional charges will be Rs. 250/- per TEU). This would be subject to suitable adjustments for the revised license fee, as may be decided by Board subsequently.

4. Other conditions regarding lease agreement, period of lease etc. remain unaltered.

5. This issues with the concurrence of the Finance Directorate of the Ministry of Railways.

Please acknowledge receipt.

Sd/-

(Desh Ratan Gupta)
Director (Land & Amenities)
Railway Board

Unique No. RB/L&A/14/03

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No. 2001/LML/13/55

New Delhi, dated 24.9.03

The General Managers (Engg.)
All Zonal Railways

Sub.: Licensing of railway land to the Container Corporation of India Ltd. for setting up of ICDs etc.

Re.: Board's letter No. 88/LML/13/55 dated 26.12.1994.

In partial modification of the extant instructions on the subject as contained in the Board's letter cited above, Board have reviewed the licence fee of railway land licensed to the Container Corporation of India Ltd. CONCOR for setting up of ICDs etc. and decided that lease charges for land already leased to CONCOR would be linked with the volume of traffic handled by the CONCOR. Board have further decided that lease charges would be levied Rs. 200/- (Rupees two hundred) per ICD for three years from 01.04.2001 to 31.3.2004. The next revision would be due from 01.04.2004.

2. Other conditions regarding lease agreement period of lease etc. remain unaltered.

3. Guidelines for charging of licensing fee for fresh cases shall be separately issued.

This issues with the concurrence of the Finance Directorate of the Ministry of Railways.

Sd/-

(Rajesh Kumar)
Desk Officer (Land and Amenities),
Railway Board.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No. 88/LM(L)/13/63

New Delhi, dated 26.12.1994

The General Managers (Engg.)
All Zonal Railways

Sub.: Leasing of railway land to the Container Corporation of India Ltd. (CONCOR)

Re.: Board's letters of even No. dated 13.3.90 & 25.9.91.

In partial supersession of the extant instructions on the subject as contained in the Board's letters cited above, Board have decided that lease charges for Railway land leased to CONCOR should be linked with the turn over of the CONCOR from various depots, instead of linking it with the price of the land. Board have further decided that the scale of land lease charges should be such as to give incentive to CONCOR for achieving higher turn over. The following charges have been decided to be levied on CONCOR for the Railway land leased to them:—

- (a) Rs. 130/- per container calculated on the basis of actual number of containers dealt with by CONCOR in each depot during 1994-95;
- (b) Rs. 80/- per container for the additional number of containers handled during 1995-96 and onwards, upto the designed capacity of the depot;
- (c) Rs. 50/- per container handled beyond the designed capacity of the depot in the subsequent years;
- (d) The arrears prior to 1994-95 would be calculated at an average rate of Rs. 130/- per container, which could be paid by CONCOR to Railways on instalment basis spread over a period of 10 years;
- (e) The charges indicated above should be reviewed once in every 5 years.

2. Other conditions regarding lease agreement, period of lease, etc. remain unaltered.

This issues with the concurrence of the Finance Dte. of the Ministry of Railways.

Sd/-

(P.K. Wahi)
Executive Director, Land Management,
Railway Board.

GOVERNMENT OF INDIA/BHARAT SARKAR
MINISTRY OF RAILWAYS/RAIL MANTRALAYA
(RAILWAY BOARD)

No. 88/LM(L)/13/63

New Delhi, dated 25.9.1991

The General Managers (Engg.)
All Zonal Railways

Sub.: Leasing of railway land to Container Corporation of India Ltd. (CONCOR)

Re.: Board's letter of even number dated 13.3.90.

In modification of Board's letter referred to above, Board has decided that 3% of the market value of land per annum may be charged for railway land leased to CONCOR for setting up ICD, CFS, etc.

This issues with the concurrence of the Finance Directorate of this Ministry.

Sd/-

(S.K. Jagdhari)
Executive Director, Land Management,
Railway Board.

No. 88/LM(L)/13/63

New Delhi, dated 25.09.1991.

Copy forwarded for information to:—

- (i) The FA&CAOs, All Indian Railways.
- (ii) The Directors of Audit, All Indian Railways.

Sd/-

(Saroj Rajware)
for Financial Commissioner (Railways)

Copy to F(X) II (with 5 spares) and TC (M&S) (with 5 spares)

Copy to MD/CONCOR, Rail Bhavan, New Delhi.

GOVERNMENT OF INDIA/BHARAT SARKAR
MINISTRY OF RAILWAYS/RAIL MANTRALAYA
(RAILWAY BOARD)

No. 88/LM(L)/13/63

New Delhi, dated the 13.3.1990

The General Managers (Engg.)
All Zonal Railways

Sub.: Leasing of railway land to the Container Corporation of India Ltd. (CONCOR)

The question of making railway land available to Container Corporation of India for setting up Inland Container Depots has been considered by the Board. It has been decided to lease railway land, wherever spareable to CONCOR for setting up Inland Container Depots, Container Freight Stations and Container Parks, on the following terms and conditions:—

- (i) Container Corporation of India will pay the licence fee at 6% of the book value of the land, per annum. As licence fee will be linked to book value, no periodical revision thereof is envisaged.
- (ii) The period of lease will be initially for 30 years, subject to renewal thereafter, with the Railways retaining the right to terminate the licence even during the term of licence, on due notice, if the land is required for their own operational/developmental needs.
- (iii) Any additional land required by CONCOR may be acquired by the Railways at the cost of CONCOR. Ownership of such land will be vested with the Railways. However, such land will be made available to CONCOR for their use without charging any licence fee.

A suitable lease agreement for each case of lease of land should be entered into with CONCOR in accordance with the above and extant instructions.

This issues with the concurrence of the Finance Directorate of the Ministry of Railways.

Sd/-

(J.M. Sharma)
Executive Director, Land Management,
Railway Board.

Annexure C

GOVERNMENT OF INDIA/BHARAT SARKAR
MINISTRY OF RAILWAYS/RAIL MANTRALAYA
(RAILWAY BOARD)

No. 2005/Tele/RCIL/1

New Delhi, dated 2.11.2006

The General Managers,
All Indian Railways.

General Manager,
CORE/Allahabad.

General Manager,
MTP/Kolkata.

Director General,
R.D.S.O.,
Lucknow.

Director General,
Railway Staff College,
Vadodara.

Director,
IRISET,
Secunderabad.

Sub.: First Revised Agreement between Railways and RailTel.

First Revised Agreement between Ministry of Railways and RailTel Corporation of India Limited has been signed on 21.09.2006 and a copy thereof is attached.

All matters with RailTel may now be dealt as per the provisions of this revised agreement.

This issues with the concurrence of Finance Directorate of Ministry of Railways.

Sd/-

(Sanjay Dungrakoti)
Director/Telecom

No. 2005/Tele/RCIL/1

New Delhi, dated 2.11.2006

Copy forwarded for information to:

FA&CAOs, All Indian Railways.

For Financial Commissioner/Railways.

Copy along with enclosure to:

- (i) Chief Signal & Telecom Engineers, All Indian Railways.
- (ii) Chief Signal & Telecom Engineers, CORE/Allahabad, MTP/Kolkata.
- (iii) Sr. ED(Signal), ED(Tele), RDSO/Lucknow.
- (iv) Sr. Professor (S&T), Railway Staff College, Vadodara.
- (v) MD/RailTel, New Delhi.

Copy to F(X)II Branch, Railway Board.

FIRST

REVISED AGREEMENT

DATED

21.9.2006

BETWEEN

MINISTRY OF RAILWAYS

AND

RAILTEL CORPORATION OF INDIA LIMITED

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THIS FIRST REVISED AGREEMENT is made in pursuance of Clause 3.3 of the Agreement between the Ministry of Railways and RailTel Corporation of India Ltd. This 21st day of September, 2006 at New Delhi between—

The President of India, acting through Additional Member (Planning), Railway Board, Ministry of Railways, hereinafter referred to as the "RAILWAYS" (which expression shall unless excluded by or repugnant to the subject or the context be deemed to include its successors-in-office, and assigns) of the One part;

AND

RailTel Corporation of India Limited, a company incorporated under the Companies Act, 1956, having its registered office at 10th floor, Bank of Baroda Building, 16 Sansad Marg, New Delhi-110001 hereinafter referred to as "RailTel" (which expression shall, unless excluded by or repugnant to the subject or the context, be deemed to include its successors, executors, administrators and legal representatives) through its Managing Director, of the Other part;

RECITAL

- A. RAILWAYS are desirous of expeditiously modernizing their existing telecommunication system for their train control, operation and safety and of generating additional revenues by creating nationwide broadband and multimedia network by laying Optical Fiber Cable (OFC) along the Railway track utilizing its right of way;
- B. RAILWAYS have formed RailTel as a Government company under the Companies Act, 1956; and the aforesaid tasks are proposed to be entrusted to the said Company;
- C. RAILWAYS agree to authorize RailTel to use its right of way for the limited purpose of establishing an Optical Fiber Network by laying cables, pipes etc. as detailed hereinafter;
- D. RAILWAYS agree to transfer the Optical Fiber Cable assets and authorize RailTel to make use of land/buildings as detailed hereinafter.

NOW IT IS HEREBY AGREED AND DECLARED as follows:—

1. DEFINITIONS AND INTERPRETATION

Definitions

1.1 In this Agreement, unless the context or subject otherwise requires, the following expressions shall have the following meanings:—

- | | |
|-----------------------|---|
| "Cable" | means underground cable and shall include copper, fiber or any other type of cable. |
| "Copper Cable" | means the quad copper cable to be laid in the same trench in which Optical Fiber Cable is laid. |
| "Drawings" | shall mean maps, drawings, plans and tracings or prints required for and maintenance of optical fiber |

| | |
|-------------------------------------|--|
| | cable system and shall include any modification and further drawings as may be issued from time to time, irrespective of whether the same is in physical, digital, electronic or any other form. |
| "E1" | means one 2 Mega Bit Per Second (MBPS) stream which can carry upto 30 channels. |
| "End Users" | means users of telecom services provided by RailTel. |
| "Gross revenues" | means the total revenue earned from sale of telecom capacity by RailTel, excluding income from Railways after deducting mandatory license fees. |
| "License" | means any telecommunication license required for the provision of telecommunication services to End Users of the Optical Fiber Network pursuant to the Indian Telegraph Act, 1885, as amended. |
| "Long Haul Communication" | means communication channels provided to connect large distant points like 2 cities. |
| "Optical Fiber Cable Assets" | means and shall include optical fiber cable, equipments used for long haul communication & equipments used for short haul for connecting the way side stations from control office. |
| "Optical Fiber Network" | means the network providing telecom services utilizing Railways' OFC assets and includes other assets used for telecommunication. |
| "Primary Multiplexers" | means the device used for deriving channels of 64 Kilo Bit Per Second (KBPS) from E1. |
| "Railways" | means "Railway" as defined in sub-section 31 section 2 of the Indian Railways Act, 1989 (Act No. 24 of 1989). |
| "Railway Equipment" | means telecommunication equipment, and other ancillary equipment connected to the Railways Network. |
| "Railway Land" | means all land within the fences or boundary marks indicating the limits of the land appurtenant to Railways. |
| "Railways Network" | means the circuits used for Railways' telecommunication needs and includes circuits to be established on optical fiber network and specifically allocated for Railways' communication. |

| | |
|--|---|
| "Short Haul Communication" | means communication channels provided to connect short distant points like 2 adjacent stations. |
| "Site" | shall means the land, stations and other places along, under or through which the works are to be carried out and any other land or places provided by the RAILWAYS for the purpose of this Agreement. |
| "Statutory Requirements" | means all relevant statues, bye-laws and regulations having force of law in India. |
| "Term" | means the period commencing from the 30th day of July 2003 and, expiring after thirty (30) years or any other mutually agreed period or till RailTel remains a PSU of the Ministry of Railways, whichever is earlier. |
| "Telecommunications Facilities" | means transmission facilities, telecommunication equipment, drop/insert locations and all other ancillary telecommunication facilities of the Optical Fiber Network. |
| "Telecom Services" | means and shall include the services offered by RailTel under the terms of licenses granted to it by Ministry of Communication, Government of India including Infrastructure Providers-I & II and Internet Service Provider and/or any other services as may be offered in future under the license granted to it by Department of Telecommunication. |
| "Works" | shall mean all works of every kind required for the execution, commissioning, operation and maintenance of the Optical Fiber Network. |

Interpretation

- 1.2 In this Agreement unless the context otherwise requires:—
- 1.2.1 All references to Clauses, Sub-clauses, Paragraphs, or Schedules are to Clauses, Sub-clauses and Paragraphs of, and Schedules to, this Agreement which shall form an integral part of this Agreement;
- 1.2.2 The headings in this Agreement are for the purpose of convenience only and shall not affect the interpretation or construction of this Agreement;
- 1.2.3 References to statutory provisions shall be construed as references to those provisions as they are respectively amended or re-enacted or modified by other provisions from time to time.

2. MUTUAL AGREEMENT

Consideration

2.1 In consideration of the mutual agreement and undertakings herein set out, the parties to this Agreement have granted the rights and accepted the obligations herein after appearing.

3. GRANT OF RIGHTS AND TRANSFER OF ASSETS

3.1 RAILWAYS hereby agree to:—

- 3.1.1 Grant for the Term to RailTel an irrevocable and exclusive right to install, construct, own, operate, maintain and keep the Optical Fiber Network on, under or over (as appropriate) the Railway Land, together with, all required authority to use RAILWAYS' rights of way for laying cable, pipe, etc. alongside, under, over or across the track, access, easements, quasi-easements and all other rights relating or incidental to the Optical Fiber Network free from all encumbrances subject to exceptions as provided in this Agreement and the right of RAILWAYS to establish its own telecommunications network pursuant to the Railways Act, 1989. However, Railways shall continue to have the right for granting permission for track crossing to other licensees;
- 3.1.2 Transfer to RailTel the RAILWAYS existing optical fiber cable assets as detailed in Annexures A, B & C and broadly consisting of Optical Fiber Cable with 20 fibers after retaining 4 fibers (2 pairs) for Railway use wherever 24 fiber OFC is existing and Optical Fiber Cable with 6 or 8 fibers after retaining 2 fibers (1 pair) wherever 8 or 10 fiber OFC is existing; and take back for its own use the ownership of 4 fibers and 2 fibers from the 24 fiber OFC and 8 or 10 fiber OFC respectively already transferred to RailTel as on date;
- 3.1.3 Take ownership of 4 fibers (2 pairs) from the 24 fiber (or more) OFC asset of RailTel in which RailTel has incurred capital expenditure;
- 3.1.4 Take back ownership of short haul STM-1 and primary multiplexing equipment already transferred to RailTel as on date;
- 3.1.5 Take ownership of short haul STM-1 and primary multiplexing equipments in which RailTel has made investment till date for creating short haul communication network;
- 3.1.6 Grant RailTel the right to use by itself or by any third party permitted by it the surplus space in microwave and other buildings to install equipments, space in towers to mount antennae (subject to the design capacity) and to market surplus capacity in digital microwave links;
- 3.1.7 License the buildings/land required for installing OFC and power supply equipments for Network Operation Centre (NOC), data centres, access nodes, transport nodes, backbone nodes and long haul equipments and towers, to RailTel on payment of license fee charges at the prevalent

standard rates. However, at stations, wherever RailTel will be providing equipments, including STM-4 long haul which are used for Railways critical applications such as PRS/UTS/FOIS/Control circuits/Railnet, etc., building/land required for installing OFC and power supply equipments shall be given to RailTel without any charges. The requirement of the land is given in Annexure D. Guidelines for Granting Right of Way and sparing land/building space and Construction of Towers by RailTel issued *vide* Railway Board's letter nos. 02/LML/13/12 dated 28/11/2005 & 5/5/2006 respectively would continue to be applicable, except provisions for revenue share on revenues earned by utilizing/permitting surplus space in microwave buildings, space in towers and capacity in digital microwave links, which would now be governed by provisions in clause 3.2.1 hereinafter provided, till superceded by subsequent directives from Railway Board;

- 3.1.8 Pay RailTel for investment done by them on 4 fibers of OFC cable at proportional cost (including financing cost, but with no mark up to RailTel), as a consideration for Clause 3.1.3 of this Agreement. Details of such sections are placed at Annexure C;
- 3.1.9 Pay RailTel proportional maintenance charges for maintenance of 4 fibers or 2 fibers (as the case may be) retained/taken back/taken by railways as per Clauses 3.1.2 and 3.1.3 of this Agreement;
- 3.1.10 Pay RailTel the cost incurred by them in STM-1 and primary multiplexing equipments as discussed in Clause 3.1.5 of this Agreement. Details of such equipments are at Annexure C;
- 3.1.11 **Pay RailTel lease charges as arrived at mutually (on incremental cost basis) for recovery of principal and interest and charges for repairs and maintenance only incurred by RailTel towards creating, as per Railways requirement, a STM-4 network (as per Clause 3.2.6 of this Agreement) and with ring protection wherever rings are available, for use of Railway's long haul communication. Any surplus capacity on this network can be commercially exploited by RailTel for which revenues share is payable as per clause 3.2.1;**
- 3.1.12 Pay RailTel for Internet connectivity and other premium services, Rates will be decided centrally by Railway Board once in a year based on cost plus basis or lowest rates charged/offered by RailTel to other bulk/preferred customers whichever is lower.
- 3.1.13 Not charge RailTel Grant fee of Rs. 11.34 Crore per annum for use of their Right of Way by RailTel on reconsideration of Clause 3.2.1 of the Agreement dated 30.07.2003. At the same time, the share of RailTel's Gross Revenue shall be enhanced as per Clause 3.2.1 hereinafter provide;
- 3.1.14 **Pay RailTel proportionate maintenance charges as per Clause 3.1.9 and lease charges for the Railways long haul STM-4 network as per**

Clause 3.1.11 centrally by Railway Board to be distributed to the Zonal Railway on a *pro-rata* basis.

3.2 RailTel agrees—

- 3.2.1 **To share with Railways 5% (five per cent) of the Gross Revenue from 30.07.2003 till such time that STM-4 network is set up in terms of clauses 3.2.6 and 3.2.7 hereinafter provided and 7% (seven per cent) of Gross revenue thereafter. Gross Revenue includes revenue from use of MW towers, space in S&T and other buildings, MW bandwidth surplus capacity on Railways' short haul and long haul systems etc.;**
- 3.2.2 Subject to Clause 11.3, to allot 25 crores equity shares of Rs. 10 each aggregating to Rs. 250 crores to RAILWAYS for transfer of Optical Fiber Cable Assets as per details in Annexure-A;
- 3.2.3 That RailTel shall bear the cost of augmentation/modification, if any, in the microwave buildings, towers and links and share revenue earned therefrom with Railways as per clause 3.2.1;
- 3.2.4 Transfer, in terms of Clauses 3.1.2 and 3.1.3 of this Agreement, 4 fibers (2 pairs) to Railways where 24 fiber OFC is existing and 2 fibers (1 pair) where 8/10 fibers are existing. Wherever the 8/10 fiber cable is replaced by a 24 fibers cable, RailTel shall transfer 2 (two) additional fibers to Railways on proportionate cost basis. Wherever equity is already issued by RailTel for 24 fiber or 8/10 fiber OFC (as the case may be) against such assets taken over from the Railways, proportionate equity will be adjusted towards future transfer of OFC assets. Details of such sections are indicated at Annexures A, B and C;
- 3.2.5 Transfer short haul system to Railways with use of capacity as indicated in para 11.4 RailTel has issued equity to Railways for transfer of such assets from Railways to RailTel, equity will be adjusted towards future transfer of OFC. Details of such assets are indicated in Annexure-A;
- 3.2.6 In sections having 24 fiber OFC, build wherever required a STM-4 long haul system with ring protection wherever available and with NMS, on Railways' 2 (two) pairs of fiber, for Railways' use on payment of lease charges as per Clause 3.1.11;
- 3.2.7 In sections having 8/10 fiber OFC, provide STM-4 long haul system with ring protection wherever available with NMS for Railways use on Railways pair of fiber on payment of lease charges as per Clause 3.1.11;
- 3.2.8 To meet Railways communication requirements from 30.07.2003 till such time that STM-4 network is set up in terms of Clause 3.2.6 of this agreement and that no charges shall be payable by Railways to RailTel (as envisaged in the first schedule to the agreement dated 30.07.2003) on account of RailTel meeting such requirement as part of the overall objective of setting

up of RailTel to commercially exploit the surplus capacity of the network while Railways continue to make captive use of the same;

- 3.2.9 To declare to the shareholders from out of its profits from time to time as decided by its Board of Directors;
- 3.3 The financial arrangements in Clause 3.2.1 shall be reviewed after every 3 years. The review can be undertaken earlier than 3 years with mutual consent, however, not earlier than one year from the last review;
- 3.4 RailTel shall make payment of Railway dues at end of every year on account of revenue share and maintenance charges, etc., if any, for optical fiber cable and equipments maintained by Railways. However, the payment of revenue share to Railways shall be deferred for 5 years *i.e.* till 30.07.2008 and shall be payable on a yearly basis thereafter. The deferred payment of revenue share for the 5 year period will however, become payable from the 6th year onwards and the schedule of payment shall be decided with mutual consent.

4. WARRANTIES AND REPRESENTATIONS

4.1 Warranty and Representation by the Parties

Each of the parties warrant and represent to the other that each party has full legal capacity, right, power and authority to execute and perform their respective obligations under this Agreement during the term of this Agreement.

4.2 RailTel's Warranties and Representations

RailTel's warrant and represents:—

- 4.2.1 That the nationwide broadband Optical Fiber Network will be created by utilizing Railways' OFC assets and /or microwave network and its own OFC and telecom assets;
- 4.2.2 That the Optical Fiber Network will be designed in accordance with well established, approved, tested and proven engineering principles and practices;
- 4.2.3 That the Optical Fiber Network will comprise of Telecommunications facilities and materials of sound quality. The materials shall conform to International Telecom Union (ITU)/Indian Railway Standard (IRS) specification;
- 4.2.4 That the Optical Fiber Network will be designed and constructed in accordance with the requirements of this Agreement in a safe, economical and efficient manner;
- 4.2.5 That its compliance of the terms, conditions and stipulations of this Agreement does not require the consent of any third party except any statutory authority and will not cause RAILWAYS to lose any interest in

on benefit of any title, status, asset, right, license, relief or privilege which it would otherwise be entitled to own or enjoy;

- 4.2.6 That prior information, adequately in advance will be given to Railways regarding broad architectural design of the Optical Fiber Network.

4.3 RAILWAYS' Warranties and Representations

RAILWAYS warrants and represents:—

- 4.3.1 That it is subject to civil and commercial law with respect to its obligations under this Agreement and the execution of this Agreement authorizes RailTel to create Optical Fiber Network;
- 4.3.2 That it has disclosed and will disclose to RailTel all material information which would affect the performance of RAILWAYS obligations under this Agreement;
- 4.3.3 That it is the legal and beneficial owner of the Railway Land and has the right, power and capacity to grant the rights over the Railway Land to RailTel for construction of Optical Fiber Network;
- 4.3.4 That the land marked for laying down the Optical Fiber Network, is free from all liens, charges, encumbrances, litigation, third party rights or interests.

5. INDEMNITIES

5.1 Indemnity by RailTel

RailTel shall indemnify RAILWAYS in respect of any loss, costs, expenses, compensation or damages incurred in connection with:—

- 5.1.1 Injuries or damage to persons or property resulting from any act, omission or neglect or breach of statutory duty by RailTel, its assignee, agents, servants or employees or for or in respect of any claims, demands, proceedings, damages, cost charges, expenses in respect thereof or in relation thereto;
- 5.1.2 All claims which may be made in respect of the stores/material/services for infringement of any right protected by patent, registration of designs or trade mark, intellectual property rights, provided that in the event of any claim in respect of any alleged breach of patent, registered designs or trade mark, intellectual property rights being made against the RAILWAYS, it shall notify RailTel of the same and RailTel shall at its own cost, either settle any such dispute or conduct any litigation that may arise from there;
- 5.2 RailTel shall assume full responsibility for and shall hold RAILWAYS harmless against all losses, liabilities, claims, demands, damages, charges, costs and expenses arising directly or indirectly out of or in connection with or as a result of death or personal injury to any person in the

employment of RailTel while carrying out RailTel's normal activities in the project sites.

5.3 Indemnity by RAILWAYS

RAILWAYS shall indemnify RailTel in respect of any loss, costs, expenses, compensation or damages incurred in connection with:—

- 5.3.1 The rights granted as per Clause 3 of this Agreement;
- 5.3.2 Injuries or damage to persons or property resulting from any act, omission or neglect or breach of statutory duty by RAILWAYS, its agents, servants or employees or for or in respect of any claims, demands, proceedings, damages, costs charges, expenses in respect thereof or in relation thereto;
- 5.4 RAILWAYS shall assume full responsibility for and shall hold RailTel and all sub-contractors harmless against all losses, liabilities, claims, demands, damages, charges, costs and expenses arising directly or indirectly out of or in connection with or as a result of death or personal injury to any person in the employment of RAILWAYS while carrying out RAILWAYS' normal activities on the sites.

6. OBLIGATIONS OF RAILWAYS

6.1 Covenants and Agreements

RAILWAYS covenants and agrees that it shall:—

- 6.1.1 Release all approvals, which are within the competency of the RAILWAYS, to RailTel within reasonable time of submission of proposals including drawings etc. by RailTel to the RAILWAYS;
- 6.1.2 Use its best endeavours to assist RailTel in securing all approvals relating to the Optical Fiber Network;
- 6.1.3 Furnish RailTel with available information towards details of the topology and maps of the Railway Land, the roll diagrams showing the ground conditions on both sides of the track along the Railway Land, locations of existing cables, pipelines, power lines, sewers, proposed additional Railway lines, if any, including without limitation all other relevant information available to RAILWAYS and provide free and liberal assistance in making available such information to RailTel in order to avoid any disruption or damage to above service media, whenever in the opinion of the Railways furnishing such information is considered necessary;
- 6.1.4 Permit free access to RailTel, its permitted assignee and the sub-contractors and other authorised persons along with their transports, equipments and other materials as needed, involved in construction and maintenance of optical fiber assets at all times day and night to the land being made available for this project and the equipment rooms;

- 6.1.5 Install, operate and maintain the Railways Equipment including local leads;
- 6.1.6 Wherever feasible, provide communication facilities from Railways' telecom network, water and electricity for execution of the works and later for operation and maintenance of the network save that RailTel shall bear the cost of electricity and other utilities in connection with the execution of their works and later for operation and maintenance of the network. However, at stations, wherever RailTel shall be providing equipments for Railways' use, Railways shall provide electricity with 'AT' supply as far as feasible to RailTel without any charges;
- 6.1.7 Maintain RailTel's optical fiber cable assets as detailed in Clause 11 of this Agreement, if specifically requested by RailTel;
- 6.1.8 Continue to provide Primary Multiplexers to derive voice channels from STM-1 short haul equipment which will be provided by RailTel at each station for Railways' communication circuits;
- 6.1.9 Authorise RailTel to use, with prior approval, frequencies allotted to Railways provided use of same does not interfere in Railways' working;
- 6.1.10 Subject to availability and quality of service meeting Railway's requirement, Railway will source all its bandwidth requirements from RailTel unless RailTel is not in a position to provide the same.

7. OBLIGATION OF Rail Tel

7.1 Covenants and Agreements

RailTel covenants and agrees that it shall:—

- 7.1.1 Establish, operate and maintain the Railways' Network in a professional manner to ensure required reliability and availability;
- 7.1.2 Effectively monitor and coordinate the activities of the Railways' Network;
- 7.1.3 Be responsible for acts of commission/omission of all personnel employed or engaged by RailTel, in the Railways' Network;
- 7.1.4 Ensure no interference to RAILWAYS' normal working system except with permission/and where it is unavoidable for execution, operation and maintenance of its Optical Fiber Network or Railways Network;
- 7.1.5 Execute the works in an orderly manner making as little disturbance as is practicably possible to the RAILWAYS' operation system;
- 7.1.6 Ensure that it follows and honours all regulations of the RAILWAYS including requisite approvals and statutory regulations of the State Governments, Central Government, and local bodies during execution and subsequent operation and maintenance of the Project;

- 7.1.7 Not have access to the buildings of RAILWAYS except for such areas as allowed pursuant to this Agreement and where Optical Fiber Network is installed.
- 7.1.8 Commercially exploit the spare capacity only after all the requisite permission/license, if any, has been received from the appropriate authorities. The responsibility for default in this respect shall be entirely that of RailTel.
- 7.1.9 Provide STM-1 short haul equipment including associated equipment at each station for meeting the requirement of Railways' control and other communication, wherever RailTel shall lay optical fiber cable along the railway track. The cost of providing this STM-1 short haul equipment including associated equipment will be borne by Railways.
- 7.1.10 Provide additional bandwidth for all future requirements of Railways as mentioned in this Agreement, wherever feasible.
- 7.1.11 Meet the requirement of bandwidth for Railways' communication as detailed in Clause 1 for the entire Term.

8. FURTHER RIGHTS

RAILWAYS also agree that RailTel shall have the right:—

- 8.1 Subject to Clause 7.1.4 & 7.1.5 to construct, own, operate, maintain and install any further additions or extensions to the Optical Fiber Network, on, over or under (as appropriate), the Railway Land together with all rights of way, access, easements, quasi-easements and all other rights required relating or incidental to the further additions or extensions of the Optical Fiber Network free from all encumbrances as RailTel deems fit during the Term of this Agreement; and
- 8.2 To cause its officers, servants, agents or contractors with or without materials, appliances and things from time to time and at all times hereafter to enter and be, upon the Railway land to install, operate, maintain, adjust, repair, alter, replace or remove the whole or part of the Optical Fiber Network and/or exercise the rights granted under this Agreement and for any other purpose, connected or relating to the Optical Fiber Network without affecting train operations and ensuring availability of RAILWAYS' communication requirements.
- 8.3 To increase/decrease the requirement of space, at the station given in the *Annexure D* or may request for additional space on stations not mentioned in *Annexure D* for its business activities. However, such right will be subject to availability and feasibility of such space at the desired stations and on payment of license fee charges at prevalent standard rate.
- 8.4 To get its assets, located on Railways' lands, identified and earmarked as RailTel's assets.

- 8.5 To have an option for issuance of identified assets.
- 8.6 To use Railways' right of way for laying cable, pipes, etc., as defined in Clause 3.1.1. for new lines being constructed or to be constructed in future.

9. FURTHER AGREEMENT

- 9.1 Subject to other provisions of the Agreement, RAILWAYS shall ordinarily not use the land, wherein Right of Way is given to RailTel, in a manner, which may hamper the efficiency of the Optical Fiber Network. RAILWAYS shall not carry out any activity in the vicinity (say, within 1/2 mt. of either side) of the cable route to prevent any likely damage to the cable system (*e.g.* tree plantation, digging of trenches, construction of temporary/permanent structures, etc.) in cases where it becomes necessary to carry on some work in the vicinity of the cable route which work may affect the efficiency of the Optical Fiber Network, the RAILWAYS shall give adequate and reasonable written notice to RailTel before starting the work, to enable RailTel to take necessary steps for prevention of damage of efficiency of the system. RailTel will take immediate steps and unable Railways to carry out the activity as felt necessary by Railways. The direct cost of shifting of OFC alignment by RailTel necessitated due to the Railways' requirement shall be compensated by Railways to RailTel. RailTel shall ensure that the alignment of optical fiber cable, wherever feasible, shall be at the edge of the railway boundary to avoid interference with the maintenance activities and expansion of Railway network.
- 9.2 For this purpose, RailTel shall supply 5 copies of the cable route plans and associated drawings and documents, etc. to the RAILWAYS for distribution amongst its various executive agencies.
- 9.3 In addition to grant of right to use the buildings/lands as contemplated under Clause 3.1.6. Railways agree to consider participation of RailTel in setting up of Cyber Cafe/Internet kiosks at stations or in trains as per extant instructions of Railways on the subject.

10. REVISION OF TENURE

- 10.1 Railways shall have the option to renew the rights hereby granted upon the expiry of the Term, for a further term of thirty (30) years upon mutually agreed terms and conditions by giving at least six (6) months written notice prior to the expiry of the Term.
- 10.2 Irrevocability and Term:—
- 10.2.1 The grant of the rights, by RAILWAYS to RailTel, over the Railway land cannot be withdrawn during the tenure of this Agreement except where National security is involved or under the relevant provisions of this Agreement. In the event of the way leave facility (use of right of way)

being discontinued with, RAILWAYS will neither be liable to pay any compensation or reimburse any amount to RailTel nor to provide any alternative arrangement for access, etc. in such a case, any installation put up by the RailTel are liable to be removed/shifted at RailTel's own cost.

- 10.2.2 The above rights do not confer upon RailTel, in any way, any right of possession or occupation of the land and does not affect the Railway's title, possession, control and use of the land.
- 10.2.3 For the purpose defined in Clause 3.1, RAILWAYS agree to assist RailTel to undertake all acts and execute all documents as are necessary or required in pursuance to any statutory requirement or authority or otherwise as required by RailTel, so as to secure the grant as also assist RailTel in registration of such rights over the Railway land and transfer of assets under this Agreement required in connection with setting up of the Optical Fiber Network.
- 10.2.4 RailTel shall ensure the way leave facility does not in any way impinge on the safety and security of railway operations and railway property specially while crossing of the track, level crossing gates, bridges, etc.
- 10.3 The tenure of the right to use of the microwave infrastructure as contemplated under Clause 3.1.6 shall be co-terminus for use of right of way (way leave facilities) as granted to RailTel under these presents or till the assets are abandoned or dismantled, whichever is earlier. In case Railways decide to abandon or dismantle the same, Railways agree to offer transfer of the infrastructure at microwave stations to RailTel, if required by RailTel, at mutually agreed value.
- 10.4 The duration for the license to use the buildings/railway lands shall be co-terminus with the use of right of way (way leave facilities) or till the buildings are abandoned or dismantled, whichever is earlier.

11. TELECOM SERVICES FOR RAILWAYS

- 11.1 Upon transfer of Railways' optical fiber cable assets to RailTel as indicated in clause 3.1.2, RailTel would provided telecom services to the RAILWAYS, which were hitherto being provided through existing Optical Fiber Cable Assets of RAILWAYS viz. Control communication, block communication, block circuits, administrative trunk circuits, backbone for mobile train communication, subscriber loop for telephone exchanges, etc. For this purpose, RailTel shall transfer back short haul STM-1 equipment at every station to Railways with telecom hut (where Railway accommodation is not available). Railways' responsibility shall be limited to providing primary Multiplexers and extend circuits of the Railways' Network from OFC equipment locations by providing local leads. And RAILWAYS will continue to maintain its own.
- (i) Short haul optical equipment;
 - (ii) Primary Multiplexers;
 - (iii) Local leads; and
 - (iv) Station equipments for control functioning.

- 11.2 Further, RailTel agrees to provide STM-1 equipment and associated equipment except Primary Multiplexers at every station, with its costs to be paid by Railways at all sections where RailTel shall be laying optical fiber cable. RAILWAYS agree to provide Primary Multiplexers and local leads for extending the circuits for *Railway network* from the locations (where the OFC is terminated and Add Drop Multiplexers are provided), to the stations and for provision of station equipments for control functioning.
- 11.3 Additional optical fiber cable assets which have been commissioned or in the process of commissioning, may also be transferred by RAILWAYS to RailTel in due course after retaining 4 fibers. RailTel will continue to provide the services to the Railways which these OFC assets would have provided but for their transfer to RailTel. Valuation of such assets shall take place upon commissioning on similar basis as followed for existing optical fiber cable assets for the assets commissioned upto March 31, 2002. The valuation of assets completed beyond March 31, 2002 shall be made on actuals. Railways may decide to transfer the optical fiber cable assets soon after their completion on the basis of approximate valuation based on a historical cost data pertaining to the preceding year of such OFC assets. However, this will be subject to adjustment subsequently based on the actual cost. It is agreed that these optical fiber cable assets shall be transferred to RailTel in lieu of issue of equity by RailTel to the RAILWAYS at par against the valuation of such assets till Railways' equity in RailTel reaches 51% of authorized capital. Subsequently, such transfer shall take place and on outright purchase basis.
- 11.4 Railways will use capacity of STM-1 system for short haul and other applications. The spare capacity will be offered to RailTel for commercial exploitation subject to a maximum of 1/3rd capacity. Further, on long haul STM-4 system also, the spare capacity available will be offered for commercial exploitation by RailTel.
- 11.5 RailTel will provide STM-4 system on one pair of fiber retained/transferred to Railways, in case of 24 fiber cable and on RailTel's fiber in case of 8/10 fiber cable in ring protection with NMS to meet Railways' requirement of long haul bandwidth. This system will be maintained by RailTel and Railways will pay annual lease charges as mutually decided based on incremental cost basis as per clause 3.1.11.
- 11.6 Railways may assist RailTel in carrying out optical fiber works on certain sections.
- 11.7 Railways may transfer OFC and other telecom work sanctioned in works program for implementation by RailTel as deposit works.

11.8 Operation and maintenance of the Optical Fiber Network

RailTel shall maintain the optical fiber cable and long haul system. However, with mutual consent specific sections can be maintained by Railways. The short haul optical fiber system will be maintained by Railways.

- 11.9 Railways or RailTel may desire to review the arrangement spelt out in 11.1 to 11.7 above in which case the review shall be undertaken along with the review of financial arrangement as per Clause 3.3.
- 11.10 To ensure reliability of Optical Fiber Network, a separate Memorandum of Understanding/Agreement, bringing out the details of responsibilities and other terms of operation and maintenance of optical fiber cable network, shall be entered into between RAILWAYS and RailTel.

11.11 Future Telecommunication requirements of Railways

On demand from RAILWAYS, RailTel shall provide telecom services in extended sections, which do not form part of RailTel's plan for OFC coverage, RailTel shall, initially bear the cost for constructing the network to provide telecom services as demanded by RAILWAYS. RailTel shall, however, recover the cost of such investments from the Railways over a period of 5 years. The title and ownership of such assets shall vest with the Railways. RailTel shall be permitted to utilise by itself or by any third party permitted by it the surplus bandwidth in the OFC system on such sections on same terms as have been decided for surplus capacity in microwave links in clause 3.1.6 and 3.2.3.

- 11.12 RailTel will verify and, if required, RailTel will take suitable steps with the approval of Railways to strengthen the tower, before using the tower space for antennae.
- 11.13 The RAILWAYS reserve the right to set up their own separate telecom system including optical fiber cable system for meeting the needs of rail operations.

12. TITLE TO OPTICAL FIBER NETWORK

The property and title to the Optical Fiber Network [other than the Copper Cable, P-Mux, Railway Land & Sites. 4/2 fibers (2/1 pair) retained for Railway use and short haul STM-1 equipment transferred to Railways] shall vest in RailTel during the Term of the Agreement except where provided to the contrary in this Agreement. After expiry or termination of the Agreement unless the terms are further extended, the title to the Optical Fiber Network shall pass to the RAILWAYS on terms and conditions to be decided mutually. The property and title to the Microwave Assets, Copper Cable, Railway Land and Site shall at all times vest in RAILWAYS.

13. ENTITLEMENT TO REVENUE

RailTel shall be entitled solely and exclusively to all revenue income arising from the Optical Fiber Network in respect of the provision of telecommunication services to End Users on a commercial basis. Sharing of revenue with other parties will be governed by relevant clauses forming part of this Agreement or any other Agreement that RailTel enters into.

14. TAX LIABILITY**RailTel's Liability to Tax**

- 14.1 RailTel shall be responsible for all taxes, levies, charges and license fees which RailTel is statutorily required to pay in respect of construction operation and maintenance of Optical Fiber Network while, RAILWAYS will have no financial liability for payment of any taxes, levies, charges and license fees of any kind related to this Agreement, Railways would provide assistance to RailTel in securing possible tax exemptions/rebates from the particular tax authorities, if so desired by RailTel.

15. SERVICE ASSURANCE

For the purpose of maintenance and replacement of the assets, a charter of Quality of Service (QOS) will be separately finalised and signed between RAILWAYS and RailTel to ensure that RAILWAYS and RailTel's communication needs are taken care of. RailTel shall use all reasonable efforts to ensure that the availability of the Optical Fiber Network shall be as per the requirements laid down in service level Memorandum of Understanding/Agreement, which shall not be less than 99.5%. The quality of service of the circuits shall be as per ITU standards.

16. VALIDITY OF AGREEMENT

The Agreement shall remain valid till RAILWAYS have majority stake in the equity share capital of the RailTel *i.e.* RAILWAYS' equity holding in RailTel is equal to or more than 51 per cent of the paid up equity of RailTel.

17. ASSIGNMENT**Transfer of Rights and Obligations**

- 17.1 RailTel shall not assign novate or transfer any rights or obligation under this Agreement to any third party except to a subsidiary without prior approval from the Railways. However, whenever such assignment is made, RailTel shall ensure that the contract of the assignment provides that the duties and obligations under this Agreement shall be fully binding on the assignee.
- 17.2 RailTel can employ servants and agents or sub-contract for execution of a particular work of limited scope within the provision of this Agreement.

18. DEFAULT, SPECIFIC PERFORMANCE AND TERMINATION

- 18.1 RAILWAYS shall be entitled to terminate this Agreement upon one hundred and twenty (120) days notice in writing to RailTel in the event that:—
- 18.1.1 RailTel enters into any arrangement or composition with or for the benefit of its creditors;
- 18.1.2 An order is made or a resolution is passed for the winding up of RailTel;
- 18.1.3 RailTel enters into liquidation either voluntarily or compulsorily (except for the purposes of amalgamation or reconstruction); or
- 18.1.4 RailTel has a receiver appointed over the whole or any part of its assets or undertaking.
- 18.2 Termination of this Agreement howsoever arising shall be without prejudice to any antecedent rights and remedies of either party and the provisions of the Agreement shall continue to bind each party in so far and for as long as may be necessary to give effect to their respective rights and obligations.
- 18.3 Upon termination of this Agreement, Railways shall have the first right or claim for the assets transferred under these presents to RailTel. Without prejudice to the right of revocation or the pre-emptive right of Railways on optical fiber cable and other related equipments, RailTel shall have the right to offer its optical fiber cable assets and equipments including the assets acquired under this Agreement both present and future as securities.

18.4 Non Stoppage or lending of the use of Railways Network

Since the asset of the Railways Network will be used for reasons of public interest, RailTel and its creditors will, under no circumstances, be allowed to stop/lend the use of the asset of Railways Network in terms of Clause 11 of this Agreement.

19. CONFIDENTIALITY

Confidential Information

- 19.1 The parties undertake to each other that they will not at any time hereafter use or divulge or communicate to any person other than to their employees, auditors, bankers or financial and legal advisers whose province it is to know the same, any information concerning the Optical Fiber Network, the contents of the maps and topographical details provided by the RAILWAYS accounts, know how, trade secrets, of the parties which have been disclosed or may come to their knowledge in relation to or as a result of this Agreement ("the Confidential Information").

Time Limitation

19.2 This restriction shall continue to apply after the termination of this Agreement for any reason whatsoever without limit in point of time but shall not apply to the Confidential Information which becomes a matter of public domain through no fault of a party.

20. WAIVER, FORBEARANCE AND VARIATION

Waiver and Forbearance

20.1 No exercise or failure to exercise and no delay in exercising any right, power, remedy or privilege, on the part of any of the parties hereto shall constitute a waiver thereof nor shall any single or partial exercise of any right, power, remedy or privilege preclude any further or other exercise thereof or the exercise of any other right, power remedy or privilege.

Cumulative Rights

20.2 The rights and remedies available in this Agreement are cumulative and not exclusive of any rights or remedies otherwise provided by law.

Variation

20.3 This Agreement shall not be varied or modified unless such variation or modification shall be reduced to writing and signed by duly authorised representatives of the parties.

21. SEVERANCE

Effect of Severance

21.1 If any provision of this Agreement or part thereof is rendered void, illegal or unenforceable by any legislation to which it is subject, it shall be rendered void, illegal or unenforceable to that extent and no further, provided that if the commercial basis of this Agreement is hereby substantially affected or altered the parties shall negotiate in good faith to amend and modify the provisions and terms of this Agreement as may be necessary or desirable in the circumstances.

22. NOTICES

Communications

22.1 All communications between the parties with respect to this Agreement shall be in writing and forwarded to the address set forth below or to such other address as a party may from time to time designate by facsimile and courier.

Rail Tel
[Address]

The Managing Director,
Rail Tel Corporation of India Limited,
10th Floor, Bank of Baroda Building,
16, Sansad Marg,

Tel. Rail Bhawan,
New Delhi-110001.
+91 11 51501452
Attention: The Managing Director
RAILWAYS

The Secretary (Tele.)
Railway Board,
Ministry of Railways,
Rail Bhawan, New Delhi-110001.
Tel. +91 11 23383138
Attention: The Executive Director (Telecom)

23. ENTIRE AGREEMENT

Scope of Agreement

- 23.1 This Agreement sets forth the entire agreement and understanding between the parties in connection with the subject matter of this Agreement and supersedes and cancels in all respects all previous correspondence, agreements, undertaking and Memorandum of Understandings between the parties whether written or oral.

24. NO PARTNERSHIP

Relationship

- 24.1 The relationship between the parties to this Agreement shall not constitute a partnership. None of the parties has the power or the right to bind in any way whatsoever or to commit or pledge the credit of any other party.

25. GOVERNING LAW

Construction and Interpretation

- 25.1 This Agreement shall be governed by and construed in accordance with the laws of India.

26. ARBITRATION

- 26.1 In the event of any dispute or difference between the parties hereto, such dispute or difference shall be resolved amicably by mutual consultation or through the good offices of empowered agencies of the Government. If such resolution is not possible, then the unresolved dispute or difference shall be referred to arbitration of an arbitrator to be nominated by Secretary, Department of Legal Affairs ("Law Secretary") in terms of the Office Memorandum No.55/3/1/75-CF dated the 19th December, 1975 issued by the Cabinet Secretariat (Department of Cabinet Affairs) as modified from time to time. The Arbitration and Conciliation Act,

1996, (26 of 96) shall not be applicable to the arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the dispute. Provided however, any party aggrieved by such award may make a further reference for setting aside or revision of the award to Law Secretary whose decision shall bind the parties finally and conclusively.

27. FORCE MAJEURE

Rights and Obligations of Parties

- 27.1 A force majeure event shall be deemed to have occurred if at any time, during the Term of the Agreement the performance in whole or in part by either party of its obligation under the contract is prevented or delayed by reason of any war or hostility, acts of the public enemy, civil commotion, sabotage, strikes and lockouts not limited to the establishment of the party claiming Force Majeure event, epidemics, quarantine restrictions, acts of Government, act of God or such eventualities which are beyond the control of the party, hereinafter referred to as events, and provided notice of happening and cessation of any such eventuality is given by either party to the other within 21 days from the date of occurrence thereof.
- 27.2 No failure or omission to carry out or observe any of the provisions of this Agreement shall entitle any party to terminate this Agreement or give rise to any claim for damages by any of the parties against any other party in respect of such non-performance or result in a breach of this Agreement if such failure or omission arises as a result of a Force Majeure event.
- 27.3 In the event of a Force Majeure event continuing for more than one hundred and eighty days (180), the parties shall negotiate in good faith within sixty (60) days to amend or modify the terms and conditions of this Agreement as may be necessary or desirable in the circumstances to substantially give effect to the commercial basis and objectives of this Agreement as agreed by the parties taking into account the change in circumstances.
- 27.4 An event of Force Majeure shall to the extent possible be remedied with all reasonable despatch and performance of affected duties and obligations shall be resumed as early as possible.
- 27.5 Following the notice referred in sub clause 27.1 and for so long thereafter as the Force Majeure continues, the duties and obligations which cannot be performed or carried out because of Force Majeure event shall be suspended.

Provided however that no obligation which requires payment of moneys shall be suspended because of the Force Majeure event.

IN WITNESS WHEREOF the parties have set their respective hands the day and year first before written.

Signed by
Sd/-
Shri S.K. Suri, Addl. Member
(Planning)
Railway Board
For and on behalf of
THE PRESIDENT OF INDIA

Signed by
Sd/-
Shri K.K. Bajpeyee
Managing Director
For and on behalf of
RAIL TEL CORPORATION OF
INDIA LTD.

Witnesses:

Name: Mahabir Prasad , Addl. Member (Tele)

Address: Railway Board, Rail Bhawan,
New Delhi-110001.

Name: Rajiv Sinha, Executive Director (POM)

Address: RailTel, 10th Floor, BoB Building Parliament Street,
New Delhi-110001.

ANNEXURE D

FREIGHT MARKETING CIRCULAR NO.7 OF 2005

भारत सरकार GOVERNMENT OF INDIA
रेल मंत्रालय MINISTRY OF RAILWAYS
(रेलवे बोर्ड RAILWAY BOARD)

रेल भवन, नई दिल्ली-110001

No. 2004/TC(FM)/23/2 Pt.

Rail Bhawan, New Delhi-110001, dated 07.04.2005

The General Manager,

1. Central Railway, Mumbai
2. Eastern Railway, Kolkata
3. East Central Railway, Hajipur
4. East Coast Railway, Bhubaneswar
5. Northern Railway, New Delhi
6. North Central Railway, Allahabad
7. North Eastern Railway, Gorakhpur
8. Northeast Frontier Railway, Maligaon
9. North Western Railway, Jaipur
10. Southern Railway, Chennai
11. South Central Railway, Secunderabad
12. South Eastern Railway, Kolkata
13. South East Central Railway, Bilaspur
14. South Western Railway, Hubli
15. Western Railway, Mumbai
16. West Central Railway, Jabalpur

Sub.: Guidelines for setting up of rail-side warehousing facilities with public-private-partnership

Reference is invited to Railway Board's letter No. 98/TC(FM)/15/18 dated 27.7.2001 dealing with policy guidelines read with letter No. 2004/TC(FM)/23/2pt. dated 21.2.2005 regarding setting up of rail-side warehousing facilities in partnership with CWC as per the Memorandum of Understanding entered into with them.

Pursuant to the announcement by Hon'ble Minister for Railways in the Budget Speech 2005-2006 regarding setting up of rail-side warehousing facility with public-private partnership for participants other than CWC, consolidated guidelines incorporating all amendments is enclosed.

This issues with the concurrence of Land Management and Finance Directorate of Ministry of Railways.

Sd/-

(Ms. S.R. Sett)

Joint Director, Freight Mktg.
New Delhi, dated 07.04.2005

No. 2004/TC(FM)/23/2 pt.

Copy to:

- (i) Chief Commercial Managers (FM), All Indian Railways
- (ii) Dy. Chief Commercial Managers (FM), All Indian Railways
- (iii) ED[LM, EDTC(R)]EDF(C) Railway Board for information

Sd/-

(Ms. S.R. Sett)

Joint Director, Freight Mktg.

New Delhi, dated 07.04.2005

No. 2004/TC(FM)/23/2pt.

FA&CAOs All Indian Railways

Sd/-

(Dhruv Singh)

For Financial Commissioner for Railways

New Delhi, dated 07.04.2005

GUIDELINES

Objective: The objective of the project is to provide warehousing to promote inter-modality by providing seamless door-to-door service at competitive price, reducing the cost of secondary transport through provision of warehousing at close proximity to rail facility and other value added services to customers.

1. The warehouse will be in addition to and not in substitution of the existing Goods shed.
2. **Who can Apply:** Any individual firm or corporate entity having Rs. 10 crores turnover per annum with requisite expertise and experience in execution of warehousing project can apply. For Foreign Agencies, an Indian Joint Venture partner will be necessary.
3. **Whom to Apply:** The application will be submitted to the Chief Commercial Manager of the Zonal Railway(s) concerned.
4. **Site for Warehouses:** The proposals for warehousing may be considered only at those locations where setting up of such value added facility will result in attracting sufficient additional traffic and sites so identified are agreed to by the Railways. Necessary traffic survey in this regard may be carried out by the prospective warehousing agency. Location will be jointly decided by the service provider and Railways. Final decision in this regard will rest with Railways.
5. **Provision of Land:** As the idea of providing warehousing has been conceived to give value added single window system service to the customers at the Railway terminal itself, the land for the warehouse will be provided by Railways. While earmarking such land for warehouse, Railways' own long term future requirement should also be kept in view. The size of the plot shall have a direct relevance with the minimum level of traffic guaranteed. The land to be finally given on lease would be recommended by a Committee of officers of the zonal railway at SAG level from Commercial, Engineering and Finance Departments. Recommendations would be put up to AGM/GM for acceptance. Railway Board will be kept informed in the matter.
6. **Earnest Money and Security Deposit:** The bidders will be required to deposit an amount of Rs. 5,00,000/- (Rupees five lac) as earnest money along with the bid. The successful party will have to make a Security Deposit of Rs. 25,00,000 (Rupees twenty five lac) in the form of a Bank Guarantee in the format as prescribed by Ministry of Finance (Copy enclosed).
- 6.1 **Mode of Selection:** The selection of the warehousing agency will be made after Inviting competitive bids which will be in two parts *i.e.* Technical bid and Financial bid (format enclosed).
 - 6.1.1 Technical bids will have particulars like firm's name, address, existing areas of activity and experience, list of customers served, area of warehousing and other facilities proposed to be built including indication of land requirement, expected gestation period for project

implementation, source of funding, financial results (audited accounts) for the last three years.

6.1.2 The financial bid will include the expected annual turnover in the first year and subsequent years, pinpointing guaranteed rail-born traffic separately, expected revenue performance in the first year and subsequent years and percentage of total revenue* subject to a minimum of 5% proposed to be shared with Indian Railways.

7. **Tender Selection Committee:** The Tender Selection Committee (TSC) comprising of 3 SAG Officers one each from Commercial, Accounts and Engineering Departments will finalise the tenders and take approval of General Manager.
8. **Period of Lease Agreement:** The lease agreement will be for 30 years which may be extended further subject to satisfactory performance for a period and on such terms and conditions as may be mutually decided between the Railways and the promoter. In case the lease is not extended, the premises alongwith the structures will be handed over to the Railways.
9. **License Fee:** As the idea behind the scheme is to increase rail borne traffic and to share the revenues, Railways will charge a nominal land license fee of Re.1/- per Square Metre per annum. Lease rent will be paid by the promoter for the warehousing area including any open areas around the built-up warehousing structure used for business/movement purpose as agreed mutually with Railway.
- 9.1 **Revenue Sharing:** From the third year onwards or from the date of operationalisation of the warehousing, whichever is earlier, in addition to the nominal lease rental, the promoter will share with Railways the accepted percentage, subject to minimum of 5%, of the gross revenues from all activities arising out of the business at the location leased to the promoter. This percentage will be reviewed every three years after the date of operationalisation of the warehousing complex or from the sixth year after the execution of the agreement, which ever is earlier.
10. **Loading/Unloading Facilities:** Loading/Unloading facilities at the terminal will be developed by the promoter for smooth operations.
11. **Free Time:** Free time for loading/unloading will be as per Railways rule and beyond this, the rakes detained will include demurrage charges. No wharfage, however will be levied under the system.
12. **Development and Maintenance of Common Area:** The common facility areas like circulating area, approach roads, lighting, office complex for rail users, basic amenities for rail users, road parking etc. will be developed by the service provider and used commonly with the Railways. The repair and maintenance cost of this area shall be borne by the promoter. It is, however

*Total revenue will include revenues accruing out of all the activities arising out of the business at the location leased to the promoter.

clarified that no lease rent is payable in respect of such area. No commercial activity is allowed on this land.

13. **Rail linkage:** Railways will provide efficient rail connectivity required to handle traffic. Efficient loading/unloading facilities at the existing rail terminal in proximity to the warehouse will be developed by the promoter for smooth running of the warehouse.
14. **Preference to Rail borne traffic:** The promoter will be required to give preference to the rail borne traffic. This will be a condition of the lease agreement enjoining the promoter to earmark at least 70% of the warehousing space for rail borne traffic. A Committee of officers from Commercial, Accounts and Engineering Departments will conduct a review of rail borne traffic every year.
15. **Staff cost:** Cost of Commercial Staff which will be posted at the Goods sheds to issue RR and supervise loading/unloading will be borne by the service provider. However, Railways will keep the number of such staff to the minimum.
16. **Gestation period:** The warehouse promoter would be allowed a maximum period of two years from the date of signing the agreement as gestation period which will cover construction and operationalisation of the warehouse.
17. **Termination of lease contract:** Railways reserve the right to terminate the lease contract under the following circumstances:—
 - (i) On termination of lease period if further extension is not sought.
 - (ii) If no warehouse construction work starts within one year of granting letter of intent, the agreement will stand terminated automatically.
 - (iii) Any violation of the terms and conditions of the lease agreement.
 - (iv) Rail borne traffic going down the minimum level of guaranteed traffic continuously for two years.
 - (v) In the event of promoter not paying the minimum lease charges in any year and portion of the revenue as fixed in the agreement.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No. 2005/LML/18/8

New Delhi, dated 8.06.2005

The General Managers,
All Indian Railways and Productions Units.

**Sub.: Policy on licensing of railway land for commercial plots etc.
(Master Circular).**

Ref.: Board's letter of even number dated 10.02.05.

In partial modification of Board's letter referred to above, Para 3 may be read as under:—

3. Rates of licence fee

Licence fee of plots will continue to be fixed as a percentage of the land value, determined as per the procedure detailed in Para 5 below. For period prior to 1.4.1995, the licence fee will be governed in terms of Board's letter No. 83/W2/LM/18/87 dated 17.9.1985. For subsequent periods, the percentage would be as under:—

| Item No. | Types of Plots | Annual Licence Fee as a Percentage of Land Value (from 1.4.95 to 31.3.04 in terms of Boards letter dated 29.8.95) | Annual Licence Fee as a Percentage of Land Value (from 1.4.04 onwards in terms of Board's letter dated 24.3.04) |
|----------|--|---|---|
| (a) | Railway related activities such as City Booking offices, Out Agencies etc. | 6% | 6% |
| (b) | Ordinary Commercial Plots—without Structures | 6% | 6% |
| (c) | Ordinary Commercial Plots— with temporary structures for stocking/storing | | |
| | (i) Covered area | 7 ½% for | (i) 7 ½% |
| | (ii) Open area | the whole area | (ii) 6% |
| (d) | Steel Yards/Coal Dumps, Bulk Oil Installations etc. | 10% | 7 ½% |
| (e) | Land used to lay private sidings | 6% | 6% |
| (f) | Shops/Retails Depots etc. | 20% | 10% |

Other terms and conditions remain unchanged.

This issues with the concurrence of finance directorate of Ministry of Railways.

Sd/-
(Desh Ratan Gupta)
Director (Land and Amenities)
Railway Board
New Delhi, Dated 8.06.05

No. 2005/LML/18/8

Copy forwarded for information to:

- (i) FA&CAO, all Indian Railways and Production Units.
- (ii) Deputy Comptroller and Auditor General of India (Railways) (with 46 spares).

Sd/-
For Financial Commissioner/Railways

Copy to:

EDTC®, EDF(C), F(C) and F(X)I Branches, Railway Board.

Unique No. 2005/LML

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No. 2005/LML/18/8

New Delhi, dated 10.01.2005

The General Managers,
All Indian Railways and Productions Units.

**Sub.: Policy on licensing of railway land for commercial plots etc.
(Master Circular).**

Ref.:— Board's letter No. 83/WI1/LM/18/87 dt. 29.8.1995

Policy guidelines for commercial licensing of Railway land last issued *vide* Board's letter No. 83/W2/LM/18/87 dt. 29.8.1995 in super-session of the earlier policy/directives, have been amended from time to time. With a view to bring all such policy instructions under one umbrella, it has been decided to issue a Master Circular combining all the instructions issued so far on the subject. Hence forth, Railways should quote only the present letter for any further reference.

2.0 General

2.1 Leasing of land is not permitted except in cases where it is specifically approved by the Railway Board. Lands for the purpose of commercial use should be given on licensing basis only. In this connection, Board's letter No. 82/W2/LM/18/116 dt. 22.11.1982 may please be referred to.

2.2 Temporary licensing of railway land to private individuals for the purpose of setting up shops, commercial offices, vending stalls, clinics etc. not connected with the Railway working was stopped in terms of Board's letter No. 80/W2/18/0/A dt. 7.6.1984. This ban will continue. In exceptional cases, where such licensing may have to be done with the prior approval of the Board, licence fee must be fixed by resorting to public auction/open tenders for getting the maximum revenue.

2.3 Licensing of ordinary commercial plots connected with Railway working, as indicated in para 3 below will be done with the personal approval of General Manager in consultation with FA&CAO. The periodical review may, however, be approved by DRM on the recommendation of Committee of Divisional Heads of Engineering, Commercial and Finance Departments.

2.4 Licenses of existing licencees, not connected with the Railway working as mentioned in Para 3 (f) below may, however, be renewed from time to time so long as the land is not required by Railway for its own purpose but on new terms and conditions indicated in this letter.

2.5 In each case of licensing, proper agreement must be executed between the Railway Administration and the licencees before the licensee is given possession of the land/plot. This must be strictly followed and for any violation of these instructions. The official handing over land before the execution of agreement, shall be held personally responsible by the Railway Administration.

3. Rates of licence fee

3.1 Licence fee of plots will continue to be fixed as a percentage of the land value, determined as per the procedure detailed in para-5 below. The percentage applicable *w.e.f.* 1.4.04 to various types of plots will be as under:

| Item No. | Types of Plots | Annual Licence Fee as a Percentage of Land Value |
|----------|--|--|
| (a) | Railway related activities such as City Booking offices, Out Agencies etc. | 6% |
| (b) | Ordinary Commercial Plots—without structures | 6% |
| (c) | Ordinary Commercial Plots—with temporary structures for stocking/storing | |
| | (i) Covered area | (i) 7½% |
| | (ii) Open area | (ii) 6% |
| (d) | Steel Yards/Coal Dumps, Bulk Oil Installations etc. | 7½% |
| (e) | Land used to lay private sidings | 6% |
| (f) | Shops/Retail Depots etc. | 10% |

4.0 Formation of a Standing Committee

4.1 A Standing Committee of three HoDs will be set up at the Headquarters of each Zonal Railway and other Railway Units. The Standing Committee consisting of CE, CCM and FA&CAO shall examine fresh cases connected with railway working as indicated in Para 3 (a) to (e) and submit its recommendations to G.M. for approval.

4.2 The periodical review will, however, be done by DRM on the recommendations of Divisional Heads of Engineering, Commercial and Finance Departments. The Committee will review annually whether the traffic commitments by the licensees of the commercial plots have actually materialised or not and in case of any deviation, initiate suitable corrective action including delicensing and vacation as necessary.

5.0 Fixing of land value

5.1 A market value would however, be required to be taken to serve as a base value for working out rental fee payable. This shall be fixed on the basis of the land value of the surrounding area as on 1.1.1985, as determined from the Revenue Authorities and/or from the following:—

- (a) Evaluation of Town Planning Department;

- (b) Actuals as per PWD and CPWD transactions;
- (c) Actual Transactions, as per documents filed in the Office of the Sub-Registrar;
- (d) Value of land as assessed by professional evaluators of the State and Central Governments.

5.2 The land value as worked out shall be increased every year on the 1st of April, starting from 1.4.1986 at the rate of 10% over the previous year's land value to arrive at the land value for the following year based on which the annual licence fee shall be fixed. From 1.4.2004 onwards, the land value shall be increased at the rate of 7% every year over the previous year's value.

5.3 However, for fresh cases of licensing of plots, for any purpose(s) defined in Para 3.1 (a) to (e) above, the licence fee shall be fixed after obtaining the current value of land. In very rare cases where it is not possible to obtain the current cost (reasons for which should be brought on record), the updated cost based on 1.1.1985 land price should be adopted.

However, for the Metropolitan towns of Mumbai, Kolkata, Delhi and Chennai if the HoDs' Committee feel that the land rates are widely varying within the city, two or more rates can be utilised for that city. Using this method, arrears of collection of licence fee on this account should not be allowed to accumulate.

6.0 Minimum licence fee

6.1 The minimum licence fee in respect of plots covered under this letter should be Rs. 1000/- per annum. For the purpose of determining the minimum licence fee, the maximum size of a plot shall be taken as 100 sq. metres. For instance, in case licensing of a plot measuring 250 sq. metres is involved, the minimum licence fee chargeable shall be relevant to three plots of 100 sq. metres each and will work out to Rs. 3000 per annum.

7.0 Revision of licence fee

7.1 As the notional land value will increase by 7% over the previous year's land value as mentioned in Para 5.2 above, the licence fee will automatically go up by 7% over the previous year's fee from the first of April every year. Suitable provisions, with the Schedule of payment due, may be incorporated in the Agreement.

7.2 The termination/renewal date of the Agreement should always be at the end of the Financial year so that there is no confusion and a better watch is kept on renewals.

8.0 Powers of licensing and renewal

8.1 Fresh cases of licensing of plots connected with Railway working and mentioned at (a) to (e) of Para 3 above will be approved by GM, on recommendation of the HoD's Committee. As regards plots mentioned at (f) of Para 3, viz shops, retail oil depots etc., as already stated, the existing ban on fresh licensing for purposes unconnected with Railway working will continue. Renewal of licences of railway land not connected with Railway working given under para 3 (f) can be done at GM's level with Finance concurrence.

9.0 Security deposit and liquidated damages

9.1 Instructions contained in para 1025, 1026 and 1027 of the Indian Railways Code for the Engineering Department (1999 Edition) should continue to be strictly followed and any violation of these instructions should be viewed seriously.

10.0 Settlement of pending cases

10.1 The revised instructions would become effective with effect from 1.4.2004. It has also been decided to withdraw the retrospective effect of orders dated 29-8-1995. Thus, the orders of August 1995 would be made applicable for the period 1995-96 onwards and not for the earlier period *i.e.* from 1-4-1986 to 31-3-1995. Any recovery already effected for the period between 1-4-1986 to 31-3-1995 need not be refunded in cash but should be adjusted against future payments due from the concerned party. Arrears of land licence fee may be recovered in easy instalments.

10.2 In cases pending in Courts of Law, the Law Officer of the Railway should be consulted before arriving at a settlement.

11.0 Having included their provisions in the master circular, the earlier circulars on the subject Nos.

- i. 83/W2/LM/18/87 dt. 24.3.04
- ii. 83/W2/LM/18/87 dt. 29.8.95
- iii. 83/W2/LM/18/87 (Vol. II) dt. 14.3.01
- iv. 83/LML/18/87 (Vol.II) dt. 5.11.01
- v. 83/W2/LM/18/87 (Vol. II) dt. 28.4.04
- vi. 01/LML/18/58 dated 23.9.02 stand withdrawn.

This issues with the concurrence of the Finance Directorate of the Ministry of Railways.

Please acknowledge receipt.

Sd/-

(DESH RATAN GUPTA)
Director (Land & Amenities)
Railway Board.

No. 2005/LML/18/8

New Delhi, Dated 10.02.05

Copy forwarded for information to (i) FA&CAO, all Indian Railways and Production Units.

(ii) Deputy Comptroller and Auditor General of India (Railways) (with 46 spares)

Sd/-

For FINANCIAL Commissioner/Railways

Copy to:

EDTCR, EDFC, FC, and F(X) I Branches, Railway Board.

RB/L&A/084/2008

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No. 2008/LML/18/15

New Delhi, dated 17.03.2008

The General Manager,
All Indian Railways.

Sub.:— Licensing of railway land for establishing a rail terminal and/or for providing connectivity to existing rail heads.

Ref.:— Board's letter No. 2005/LML/18/8 dated 10.2.05.

Suggestions had been received by the Ministry of Railways for making some relaxation in the policy of licensing of railway land for establishing a rail terminal (ICD) and/or for providing connectivity to existing rail heads. In continuation of Board's letter No. 2005/LML/18/8 dated 10.2.05 it has been decided that railway land, if available and not required for railway's own use in the near future, may be allotted to private parties for setting up of rail terminals for handling of rail borne traffic and providing connectivity to the nearest rail head as indicated below:—

- (a) For providing rail terminal (ICD), the licence fee should be based on the circle rate fixed by the Revenue Authority or the industrial rate, whichever is higher; and
- (b) For providing connectivity to the existing rail heads on Indian Railways, the licence fee may be charged on the basis of industrial rates.

2. There will be no change in other terms and conditions stipulated in Board's letter dated 10.2.05 referred to above as amended from time to time.

3. It may please be noted that the licensee shall not use the land for any purpose other than the one for which railway land has been licensed, without prior approval of Railway. In cases of use of land for a purpose other than the one for which railway land had been licensed, railway will have the right to re-fix the licence fee based on proposed use. Besides, Railway will have the right to adopt market/commercial rates or terminate the agreement when it is found that the usage of the licensed land is not connected with railway working. For this purpose, Railway will conduct checks periodically (say at six months' intervals) to see if the railway land is being put to additional/alternative use.

4. This issues with the concurrence of Finance Directorate of the Ministry of Railways.

Please acknowledge receipt.

Sd/-
(Rajesh Kumar)
Deputy Director/Land Management
Railway Board
New Delhi, dated... 03.2008

No. 2008/LML/18/15

Copy forwarded for information to—

- (i) FA&CAO, All Indian Railways and Production Units
- (ii) Deputy Comptroller and Auditor General of India (Railways),
224, Rail Bhawan, New Delhi (with 46 spares)

Sd/-
For Financial Commissioner/Railways

Copy to:

EDTT(F), EDFM, EDCE(G) and EDF(X)II

CHAPTER III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT
DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED
FROM THE GOVERNMENT

—NIL—

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Observation/Recommendation (Para No. 1)

In terms of the procedure evolved by the Public Accounts Committee in their 105th Report (Tenth Lok Sabha), the Ministry of Railways, like other Ministries/ Departments, are required to furnish to the Committee, Remedial/Corrective Action Taken Notes on the Audit paragraphs/Chapters relating to the Railways as contained in the reports of the Comptroller & Auditor General of India, which stand referred to the Public Accounts Committee under Article 151 of the Constitution of India. These Notes are to be furnished within four months of the laying of the Audit Reports in Parliament through the Ministry of Finance (Department of Expenditure), which has been designated as the nodal agency for the purpose. But the Ministry have not been able to adhere to this prescribed schedule in most cases leading to accumulation of huge number of pending Remedial/Corrective Action Taken Notes. As of February 2010, a total of 481 pending Remedial/Corrective Action Taken Notes, pertaining to the period 1995-96 to 2007-08, relate to the Ministry of Railways, Giving reasons for this huge backlog, the Ministry of Railways submitted that many of the issues raised in the Audit Paragraphs required collection of information/data from the vast Railway system of the Indian Railways consisting of 16 Zonal Railways, 6 production units and 68 Divisions, which took much time. According to the Ministry, this becomes even more complicated and time consuming if the Audit paragraphs pertain to more than one Zonal Railway, and the delay gets multiplied when there is any disagreement with Audit on certain issues or where the Zonal Railways miss some crucial facts, figures and issues and the Audit have to point these out for correction.

[Sl.No. 1, Part II, Para 1 of 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

At present, a total of 406 paras pertaining to 1995-96 to 2007-08 are pending with the Ministry. All out efforts are being made to finalise these paras at the earliest. Out of these, 11 paras are under final stages and will be sent to Monitoring Cell shortly after Hindi translation.

Audit *vide* their U.O. No. 26035-Rly/Co-ord/RR2-5/2010 dated 09.8.2010 have vetted the Action Taken with the following remarks:—

"The number of pending Action Taken Notes (excluding the figure of 2008-09) is 407 as on 31.7.2010 as per this office record."

Ministry's Comments

As per DG(Rlys)'s D.O. No. 185-Rly/Co-ord/RR2-5/2010 KW dated 18.01.2011, now 339 ATNs up to the year 2007-08 are pending with this Ministry.

Sd/-
(Ravi Prabhat)
Executive Director (Accounts)
Railway Board

[Ministry of Railways' case No. 2010-BC-PAC/XV/16, dated 27-1-2011, 24-2-2011]

Comments of the Committee

Please see para No. 7 of Chapter I.

Observation/Recommendation (Para No. 2)

The Committee do not find convincing, the reasons advanced by the Ministry of Railways for huge accumulation of pending Remedial/Corrective Action Taken Notes since these were not unforeseeable and could have been avoided much before by evolving internal arrangements in the Ministry to comply with the procedure. It appears to the Committee that the Railways need to give serious attention to the matter and fully apply the available technical capabilities to achieve functional and administrative efficiency. Moreover, despite the matter being taken up at the highest level in the Ministry with the Chairman, Railway Board directing the General Managers of Zonal Railways to expedite submission of the requisite information, there has not been much improvement in the last four months. Instead, the number of Remedial/Corrective Action Taken Notes pending with the Ministry has gone up to 481 in February 2010 from 362 in September 2009. This is not acceptable to the Committee. All these facts clearly indicate that greater efficiency is required in data collection, maintenance and information management systems throughout the entire network of the Indian Railways besides taking audit replies more seriously. While expressing their displeasure over this failure, the Committee desire that the Ministry of Railways should urgently complete total modernization of their data maintenance and information management systems. Simultaneously, the existing mechanisms or systems put in place for preparation and submission of Remedial/Corrective Action Taken Notes on Audit paras need to be streamlined/overhauled so that these Notes are furnished within the prescribed time limit of four months. This calls for effective monitoring at various stages of preparation and submission of the Action Taken Notes by none other than the Railway Headquarters. The Committee, therefore, recommend that the Ministry link up the Railway Board Headquarters with all the Zones, Divisions and Production Units through various means of modern communication devices for facilitating effective and efficient inter-Railways data transfer, processing etc. for timely submission of Remedial/Corrective Action Taken Notes.

[Sl.No. 2, Part II, Para 2 of 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

Ministry of Railways is fully aware of the seriousness of the matter and strives hard for expeditious disposal of the Audit Paras. The increase in the number of paras from 362 in September 2009 to 481 in February 2010 is due to inclusion of 172 new paras pertaining to C&AG's Report of 2008-09 which was presented to Parliament on 24.8.2009. This figure of 481 has now come down to 406 paras as on 30.6.2010. Finalisation of 75 paras in just 4 months indicates the weightage being given to Audit para in this Ministry. Further 11 paras will be sent shortly to Monitoring Cell after Hindi translation. Disposal of pending ATNs has been included as one of the Agenda items in monthly Board Meetings and will be reviewed at the Chairman, Railway Board level. It is assured that the position will improve with close monitoring.

Audit *vide* their U.O.No.26035-Rly/Co-ord/RR2-5/2010 dated 09.8.2010 have vetted the Action Taken with the following remarks:—

“The number of pending Action Taken Notes (excluding the figure of 2008-09) is 407 as on 31.7.2010 as per this office record.”

Ministry's Comments

As per DG(Rlys)'s D.O.No.185-Rly/Co-ord/RR2-5/2010 KW dated 18.01.2011, now 339 ATNs up to the year 2007-08 are pending with this Ministry.

Sd/-

(Ravi Prabhat)

Executive Director (Accounts)

Railway Board

[Ministry of Railways' case No. 2010-BC-PAC/XV/16 dated 27-1-2011, 24-2-11]

Comments of the Committee

Please *see* para No.7 of Chapter I.

Observation/Recommendation (Para No. 12)

The Committee note that train accidents at unmanned level crossing remains very high, being the second highest after derailments. As informed by the Ministry, the numbers of such train accidents were 65 each (out of 239 total train accidents) in both 2004-05 and 2005-06, 72 (out of 195) in 2006-07, 65 (out of 194) in 2007-08, and 62 (out of 177) in 2008-09. The committee's examination of the causes of these accidents has revealed that as many as 16,976 level crossings, constituting about 50 per cent of the total number of 34,220 level crossings, in the country are still unmanned. This implies that the unmanned level crossings will continue to be accident-prone. The Committee have been informed in this regard that cost of manning these level crossing is around Rs. 3,300 crore with a recurring expenditure of Rs. 1,700 crore per annum and because of fund constraints, upgradation of the existing unmanned level crossings to manned level crossings in being done progressively. The Committee observe that the current pace of manning unmanned level crossing is very slow compared to the rapidly growing rail traffic and the exploding road traffic posing

further risk of increasing accidents at unmanned level crossings. In view of the loss of precious lives and high cost of accidents in the form of huge compensation and post disaster rescue and relief works, the Committee feel that the logic behind the slow pace of upgradation is not justified. The Committee, therefore, impress upon the Railways to quicken the pace of manning unmanned level crossings. For this, the Railways should undertake a proper survey/assessment to identify the most accident-prone sites and categorise them into three or four priority groups for phase-wise and time bound upgradation. To help finance this venture, avenues for private sector participation or other revenue generating modalities may be explored. Further, train services infrastructure and accidents involve all the stake holders *i.e.* State Governments, the Local Self Governments, NGOs, Voluntary Organisations, Civil Society, Clubs and most importantly, general public. The Committee would, therefore, urge upon the Railways to forge arrangements for harnessing active cooperation and participation of these stakeholders especially the State Governments and the District Authorities in their efforts to man the unmanned level crossings. The Committee further urge the Ministry to streamline the existing policy and management of level crossings so as to reduce inconveniences being faced by the public owing to long duration of closing traffic gates before and after the arrival of trains at a particular level crossing.

[Sl. No. 12, Part II, Para 12 of 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

Ministry of Railways have a comprehensive Policy on reducing vulnerability at level crossings. On this basis Zonal Railways have been advised to follow up expeditious completion of ROB/RUB, Limited Height Subways, Normal Height Subways works in their Railways. 3000 Level Crossings have been sanctioned for manning during the budget 2010-11 and more will be taken in the next budget. With the decision taken to man all unmanned level crossings, it is imperative now to do away with LCs with very level of TVUs. There has been emphasis on closure of LC Gates by diverting the traffic and merging/combining of unmanned level crossings to adjoining level crossings. The work related to provision of lifting barriers in replacement to gate leafs on manned level crossings is being done on priority basis besides providing basic infrastructure at unmanned Level Crossings. Meanwhile education of road users to guide them in exercising caution before crossing the unmanned level crossings. Help of village Panchayats etc. has been initiated through publicity campaigns and other publicity campaigns including sending SMS on mobile phones especially in rural areas have been started at vulnerable locations.

Audit *vide* their U.O. No. 311-RA-II/12-3/2010/PAC/Disaster Management dated 05.10.2010 have vetted the Action Taken Note.

Sd/-
(Ravi Prabhat)
Executive Director (Accounts)
Railway Board

[Ministry of Railways, case No. 2010-BC-PAC/XV/16, dated 27-1-2011, 24-2-11]

Comments of the Committee

Please *see* para No. 13 of Chapter I.

Observation/Recommendation (Para No. 13)

The Ministry of Railways formulated in 2003 a Corporate Safety Plan (2003-13) to realize the vision of an accident free and casualty free Indian Railways through the use of newer and better technology, removal and replacement of overaged assets, tracks, rolling stock, bridges, maintenance inspection and modernization of signalling and telecommunication wing, human resource development etc. The Ministry claimed that under this Plan, they have provided modern, efficient and reliable signalling and telecommunication system apart from taking new initiatives for additional Safety features which include Modern Train Radio Communication System, cab signalling, Anti Collision Device etc. The Committee's examination has revealed that while continuing train accidents belie the realization of the vision of an accident free and casualty free rail system, the extent of modernization has not covered other areas and limited to some improvements in signalling and telecommunication facilities only. Further, the Committee's examination of a related Audit Report has revealed that provision of modern signalling system is progressing behind schedule and geographical disparity has emerged with some areas lagging behind others. Moreover, the Railway Zones have not been able to provide standard performance parameters of signalling and telecommunication equipment in use. In a more worrisome scenario, the Committee notice that the expenditure on signalling and telecommunication steadily declined from 6.2 per cent of the total expenditure in 2005-06 to 2.6 per cent in the year 2009-10. In the opinion of the Committee, the signalling & telecommunication equipments are something which are very critical for prevention of many of the train accidents as shown by the incidence of lesser number of train accidents in developed countries, where better communication based signalling system, Automatic Train Protection and Control System and GSM based Mobile Train Radio Communication System etc. are being utilised. The Committee would like the Ministry to make special efforts for speedier installation of modern signalling and telecommunication system for better operational and safer movement of trains. Since these initiatives would involve substantial cost, which will be augmented by maintenance and replacement cost, the Committee urge the Ministry to enhance funds for signalling and telecommunication works and ensure productive and judicious utilization of these funds, so that targets set under the Corporate Safety Plan are achieved within the stipulated time. In this regard, the Committee would like the Ministry to explore the feasibility of entering into tie ups with telecom operators to ascertain whether the Railways can earn certain amount of revenue by lending some portion of their land or assets for mobile towers, receivers etc.

[Sl. No. 13, Part II, Para 13 of 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

Funds for Signal & Telecommunication works under plan Head-33 are provided based on the availability of resources. There is a steady increase in % utilization of funds which are utilized judiciously to ensure productive deployment for increased level of safety. Signal incidences have steadily come down even though there is an increase in Signal Assets. The accidents attributed to S&T are negligible. During 2010-11 (upto July 2010) accidents attributed to S&T are nil against total accidents of 26 on IR. Mobile Train Radio Communication has been commissioned on 1700 RKMs out of 2415 RKMs and all the 84 nos. voice recorders in control offices have been commissioned. Further a lot of

inputs have gone into to modernize the signaling and Telecom infrastructure on Indian Railways. Large scale Track circuiting works have been undertaken during the last 10 years, along with provision of Electronic Interlocking, Panel Intelocking, Route Relay Interlocking, Block Proving by Axle Counter, Data loggers, etc.

Audit *vide* their U.O. No. 397-RA-II/12-3/2010/PAC/Disaster Management dated 08.12.2010 have vetted the Action Taken Note.

Sd/-
(Ravi Prabhat)
Executive Director (Accounts)
Railway Board

[Ministry of Railways' case No. 2010-BC-PAC/XV/16, dated 27-01-2011, 24-2-2011]

Comments of the Committee

Please *see* para Nos.16 & 17 of Chapter I.

Observation/Recommendation (Para No. 21)

In carrying out eviction and removal of encroachments from the Railway lands, the Estate Officers play a key role. Their authority and powers need to be strengthened through amendment in the law where necessary. The Committee find that in 21,654 cases decided by the Estate Officers, orders to evict encroachers from the land were not implemented on various grounds. To ensure faster removal of encroachments from the Railway Land, more teeth need to be provided to the eviction orders issued by the Estate Officers. The Committee, therefore, exhort the Ministry for providing adequate legal powers to the Estate Officers even to the extent of placing them at par with the Magistrates by making necessary amendments to the Public Premises (Eviction) Act, 1971. In this context, the Committee further observe that the Act has not yielded the desired results as can be gauged from the prevalence of as many as 45,551 pending encroachment cases across the Railway Zones during the year 2006-07 which further strengthen the need for amendment of the Act to provide more powers to the Estate Officers.

[Sl. No. 21, Part II, Para 21 of 16th Report of PAC (15th Lok Sabha)]

Action Taken by the Government

The observation of the Committee regarding need for amendment of the Public Premises (Eviction) Act, 1971 to provide more powers to the Estate Officers is welcome. However it is mentioned that the Public Premises (Eviction of Unauthorized Occupants) Act, 1971 is a Central Act pertaining to Ministry of Urban Development (MoUD). Ministry of Railways had suggested MoUD for empowerment of Estate Officers. However, MoUD in consultation with Ministry of Law and Justice have not agreed to the suggestions.

Despite the above constraints, Railways have been able to successfully reduce the area under encroachments by 1080 hectares in the past 5 years.

Audit vide their U.O.No. 28-RA-II/12-2/2007(MIP) dated 02.2.2011 have vetted the Action Taken Note with the following comments:—

"Seen, thanks. However, copy of the detailed instructions issued, regarding leasing/licensing of Railway Land to PSUs along with a copy of contract agreement containing the clause for retrieval of land in case the same is required by Railway before the expiry of the term of the lease, may be furnished for kind appreciation of PAC."

Ministry's Comments

Requisite instructions are at Annexures A, B, C, D and E.

Sd/-
(Rashmi Kapoor)
Adviser Finance
Railway Board

[Ministry of Railways' case No. 2010-BC-PAC/XV/16, dated 24-2-2011]

Comments of the Committee

Please *see* para No. 23 of Chapter I.

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH
GOVERNMENT HAVE FURNISHED INTERIM REPLIES

—NIL—

NEW DELHI;
23 December, 2011
02 Pausa, 1933 (Saka)

DR. MURLI MANOHAR JOSHI
Chairman,
Public Accounts Committee.

APPENDIX I

MINUTES OF THE TWELFTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2011-12) HELD ON 21ST DECEMBER 2011

The Committee sat on Wednesday, the 21st December, 2011 from 1500 hrs. to 1545 hrs. in Chairman's Room (No. 51), Parliament House, New Delhi.

PRESENT

MEMBERS

Dr. Murli Manohar Joshi—*Chairman*

Lok Sabha

2. Shri Anandrao Vithoba Adsul
3. Shri Sandeep Dikshit
4. Shri Anant Kumar Hegde
5. Shri Bhartruhari Mahtab
6. Shri Shripad Yesso Naik
7. Shri Sanjay Nirupam
8. Dr. Kavuru Sambasiva Rao
9. Dr. M. Thambidurai
10. Dr. Girija Vyas

Rajya Sabha

11. Shri Tariq Anwar
12. Shri Prasanta Chatterjee
13. Shri Prakash Javadekar
14. Prof. Saif-ud-Din Soz

SECRETARIAT

- | | | |
|------------------------|---|----------------------------|
| 1. Shri Devender Singh | — | <i>Joint Secretary</i> |
| 2. Shri Abhijit Kumar | — | <i>Director</i> |
| 3. Shri H.R. Kamboj | — | <i>Additional Director</i> |
| 4. Smt. A. Jyothirmayi | — | <i>Deputy Secretary</i> |
| 5. Ms. Miranda Ingudam | — | <i>Under Secretary</i> |

Representatives of the Office of the Comptroller and Auditor General of India

1. Shri Gautam Guha — Director General (Defence Services)
2. Ms. Divya Malhotra — Principal Director (Railway Audit Board)
3. Shri V. Patwardhan — Director (Defence)

2. At the outset, the Chairman welcomed the Members and the representatives of the Office of the C&AG to the sitting of the Committee convened to consider and adopt the following Draft Reports.

3. The Committee, thereafter, took up for consideration the following Draft Reports, one by one and adopted the same without any modifications:—

- | | | | | | | |
|-------|--|---|---|---|---|---|
| (i) | * | * | * | * | * | * |
| (ii) | * | * | * | * | * | * |
| (iii) | * | * | * | * | * | * |
| (iv) | Draft Report on Action Taken on 16th Report (15th Lok Sabha) of PAC on 'Disaster Management and Land Management in Indian Railways' (Ministry of Railways); and | | | | | |
| (v) | * | * | * | * | * | * |

4. Thereafter, the Committee authorized the Chairman to finalise these Reports in the light of factual verification done by the Audit and present the same to both the Houses of Parliament.

The Committee, then adjourned.

*Matters not related with this Report.

APPENDIX II

(Vide para 5 of Introduction)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE CONTAINED IN THEIR SIXTEENTH REPORT (FIFTEENTH LOK SABHA)

| | |
|---|-------------------------------|
| (i) Total No. of Observations/Recommendations | 24 |
| (ii) Observations/Recommendations of the Committee which have been accepted by the Government: Para Nos. 3-11, 14-20 and 22-24 | Total: 19 Percentage-79.17 |
| (iii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government: —Nil— | Total: Nil Percentage-0 |
| (iv) Observations/Recommendations in respect of which replies of Government have not been accepted by the Committee and which require Reiteration: Para Nos. 1, 2, 12, 13 and 21 | Total: 5 Percentage-20.83 |
| (v) Observations/Recommendations in respect of which Government furnished interim replies: —Nil— | Total: Nil Percentage-0 |

