

11

**STANDING COMMITTEE ON RAILWAYS
(2010-11)
FIFTEENTH LOK SABHA**

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

**DEMANDS FOR GRANTS
(2011-12)**

ELEVENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2011/ Shravana, 1933 (Saka)

SCR NO.: 158

ELEVENTH REPORT

**STANDING COMMITTEE ON RAILWAYS
(2010-11)**

(FIFTEENTH LOK SABHA)

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

**DEMANDS FOR GRANTS
(2011-12)**

Presented to Lok Sabha on 17.08.2011

Laid in Rajya Sabha on 17.08.2011



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2011/ Shravana, 1933 (Saka)

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE.....	(iv)
INTRODUCTION.....	(v)
REPORT	
PART – I	
CHAPTER-I	
Implementation Status of Recommendations contained in the Seventh Report of the Committee on Demands for Grants(2010-11) of the Ministry of Railways.....	1
CHAPTER-II	
INTRODUCTORY	2
XI Five Year Plan targets and anticipated achievements	
Passenger & Freight Traffic.....	7
Fixed Infrastructure.....	9
Rolling Stock	10
Financial Performance.....	11
Gross Traffic Receipt.....	14
Passenger Earnings.....	15
Annual Plan 2011-12	
New Line Construction.....	17
Gauge Conversion.....	19
Doubling.....	19
Rolling Stock Capacity Augmentation	20
Bridge Works.....	21
Signalling and Telecommunication works.....	22
Railway Research.....	24
Passenger Amenities.....	26
Augmentation of Train Services	
Metropolitan Transport projects.....	28
Multi-Purpose Smart Cards.....	28
Central Organization for Project Implementation(COPI).	29
Railway Tracking System.....	29
PART-II	
Recommendations/Observations of the Committee.....	30
APPENDIX	
Minutes of the sitting of the Standing Committee on Railways held on 03.03.2011, 07.03.2011, 29.04.2011 and 17.06.2011.....	54

COMPOSITION OF THE STANDING COMMITTEE ON RAILWAYS (2010-11)

Shri T. R. Baalu - Chairman

MEMBERS

LOK SABHA

2. Shri Khiladi Lal Bairwa
3. Shri Kameshwar Baitha (Palamu)
4. Smt. Rajkumari Chauhan
5. Dr. Ram Chandra Dome
6. Smt. Maneka Gandhi
7. Shri Pralhad Joshi
8. Shri. Bapi Raju Kanumuru
9. Dr. Nirmal Khatri
10. Dr. (Smt.) Botcha Jhansi Lakshmi
11. Shri Anand Prakash Paranjpe
12. Shri Somabhai G. Koli Patel
13. Shri Rudra Madhab Ray
14. Smt. Satabdi Roy
15. Smt. Sushila Saroj
16. Smt. Yashodhara Raje Scindia
17. Shri Gopal Singh Shekhawat
18. Chaudhary Lal Singh
19. Shri Uma Shankar Singh
20. Shri Lalji Tandon
21. Dr. Girija Vyas

RAJYA SABHA

22. Shri K.E. Ismail
23. Shri Om Prakash Mathur
24. Shri Nandi Yellaiah
25. Smt. Kusum Rai
26. Shri Ambeth Rajan
27. Shri Tarini Kanta Roy
28. Shri T.M. Selvaganapathi
29. Shri Ishwar Singh
30. Shri Ramchandra Prasad Singh
31. Ms. Sushila Tiriya

LOK SABHA SECRETARIAT

- | | | | |
|----|-----------------------|---|---------------------|
| 1. | Shri K. Vijaykrishnan | - | Joint Secretary |
| 2. | Shri Abhijit Kumar | - | Director |
| 3. | Shri Arun K. Kaushik | - | Additional Director |
| 4. | Smt. Geeta Parmar | - | Under Secretary |

INTRODUCTION

I, the Chairman of the Standing Committee on Railways (2010-11), having been authorised by the Committee to present the Report on their behalf, present this Eleventh Report of the Standing Committee on Railways on 'Demands for Grants - 2011-12 of the Ministry of Railways'.

2. The Committee took evidence of the representatives of the Ministry of Railways (Railway Board) on 03.03.2011, 07.03.2011, 29.04.2011 and 17.06.2011.

3. The Committee considered and adopted the Report at their sitting held on 17.06.2011. Minutes of the related sittings are given in appendix to the Report.

4. The Committee wish to express their thanks to the officers of the Ministry of Railways (Railway Board) for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the Demands for Grants – 2011-12. They would also like to place on record their deep sense of appreciation for the valuable assistance rendered to them by officials of Lok Sabha Secretariat attached to the Committee.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Part-II of the Report.

NEW DELHI;
4 August, 2011
13 Shravana , 1933 (Saka)

T.R. BAALU
Chairman,
Standing Committee on Railways

REPORT

CHAPTER – I

IMPLEMENTATION OF THE COMMITTEE'S RECOMMENDATIONS

The 7th Report of the Standing Committee on Railways on 'Demands for Grants – 2010-11 of the Ministry of Railways' was presented to the Lok Sabha on 15.04.2010. The Report contained 29 recommendations/observations.

1.2 In compliance with Direction 73A of the Directions by the Speaker, the Minister of Railways has to make a statement in the House within six months of the presentation of the Report giving the status of implementation of the various recommendations/observations made by the Committee in their 7th Report.

1.3 Action Taken Replies in respect of the above Report were received from the Ministry of Railways on 14.07.2010. On the basis of the Action Taken Replies received from the Ministry of Railways on the above mentioned Report, the Committee considered and adopted the Action Taken Report on 18.08.2010. The Committee, in their 9th Report, have commented on the Action Taken Replies furnished by the Ministry in respect of the recommendations contained at Sl. Nos. 6, 9, 11, 13 and 26. Ten recommendations/observations (Sl. Nos. 1, 3, 4, 7, 8, 10, 18, 20, 21, 22, 23, 24, 25, 27 and 29) were accepted by the Ministry. Recommendations/observations at Sl. Nos. 5, 6, 9, 11 and 13 were reiterated by the Committee as the replies of the Ministry thereon were not found satisfactory. Final replies in respect of the recommendations at Sl. Nos. 2, 19, 26 and 28 were to be furnished by the Ministry. The Ninth Report was forwarded to the Ministry of Railways for furnishing Action Taken Statement on the recommendations made by the Committee.

CHAPTER – II

INTRODUCTORY

1. The Indian Railways is a departmental commercial undertaking of the Government of India. The formulation of policy and overall control of the Railways is vested in the Railway Board comprising the Chairman, who is an *ex-officio* Principal Secretary to the Government of India, the Financial Commissioner and other functional Members for Traffic, Engineering, Mechanical, Electrical and Staff matters, all *ex-officio* Secretaries to the Government of India. The Indian Railway system is managed through 17 zones and 68 operating divisions. Apart from the Zonal Railways representing the operational part of the system, there are six production units engaged in the manufacture of rolling stock and other related items. The Indian Railways has an exclusive Research and Development organization, *viz.* the Research, Designs and Standards Organization (RDSO) with the status of a Zonal Railway, extending their technical advise and consultancy to the Ministry, Zonal Railways and production units.

2. The Indian Railways is the world's largest government railway establishment. The Railways function as a vertically integrated organization providing Passenger and Freight services. It is a single system which consists of 63,974 route kms of track that criss-cross the country, on which more than 18,820 number of trains ply, carrying more than 20 million passengers and hauling nearly 2.4 million tonnes of freight every day, thereby contributing to economic growth and promoting national integration. The railway service is rendered through a nationwide rail infrastructure covering tracks, stations, sidings, freight terminals, locomotives, coaches and wagons and an array of infrastructure inputs like signaling, telecom, electrical installations, maintenance workshops, etc.

3. As compared to road transport, the railway has a number of intrinsic advantages as it is five to six times more energy efficient, four times more efficient in land use and significantly more superior from the standpoint of environment

impact and safety. The Railways, thus play a pivotal role in the growth and development of the nation.

4. As Railway finances were separated from the General Finances under the 'Separation Convention' in 1924, a separate Budget is presented since then for the Railways showing the estimated receipts and expenditure in respect of every financial year. The Railway Budget for the year 2011-12 was presented in the Parliament by the Minister of Railways on 25 February, 2011. An annual outlay of Rs.57630 crore comprising Gross Budgetary Support of Rs. 20000 crore (34.70%), diesel cess of Rs. 1041 crore (1.81 %), internal resources of Rs.14219 crore (24.67%), market borrowings of Rs. 20594 crore (35.74%) through the Indian Railway Finance Corporation (IRFC) and Extra Budgetary Resources (EBR) of Rs.1776 crore (3.08%) through PPP, WIS, etc. has been proposed for the year 2011-12.

5. The Budget Statement shows the total revenue receipts, revenue and works expenditure, distribution of excess of receipts over expenditure and position of various Funds which the Railways keep with the Central Government, viz. the Depreciation Reserve Fund, Development Fund, Pension Fund, Capital Fund, and Railway Safety Fund.

6. The Revenue receipts of the Railways consist of earnings from goods traffic, passenger traffic, other coaching earnings, including parcels, luggage and sundry other earnings like rent, catering receipts, interest and maintenance charges from outside bodies, commercial utilisation of land and air space and commercial publicity on rolling stock and station buildings, etc.

7. There are also other Miscellaneous receipts like receipts of Railway Recruitment Boards from sale of application forms and examination fees, etc. and Government's share of surplus profits which includes receipts from subsidised Railway companies in which the Government has no capital interest. The subsidy from General Revenues in respect of dividend reliefs forms part of the Miscellaneous receipts. The total of Revenue and Miscellaneous receipts makes up the total

receipts of the Railways. The portion of the earnings which is due to the Railways during the financial year but has not actually been realised is held in a 'Suspense' account.

8. The expenditure incurred by the Railways is on Revenue account and on Works account. The Revenue account consists of Ordinary Working Expenses incurred by various Departments of the Railways in their day-to-day working and other miscellaneous expenditure like the expenditure on Railway Board, Audit, Surveys and other miscellaneous establishments, payments as regulated by contracts to worked lines which are not owned by the Railways and are either worked by the Indian Railways or companies concerned. The Revenue Account also includes appropriation to the Depreciation Reserve Fund, Pension Fund and dividend paid by the Railways to the General Revenues. Appropriation to the Depreciation Reserve Fund is made annually on the basis of the recommendations of the Railway Convention Committee and is intended to finance the cost of new assets replacing old assets, including the cost of any improved features that such new assets may have. Appropriation to the Pension Fund is to finance Pension and Death-cum-retirement gratuity payments to the Railway staff.

BUDGET AT A GLANCE FOR 2011-12

9. The Budget at a Glance as given in the Explanatory Memorandum on the Railways Budget for 2011-12 is as follows:-

(Rupees in crore)				
<i>Actuals</i> 2009-10	Budget 2010-11	<i>Description</i>	Revised 2010-11	Budget 2011-12
86,963.97	94,764.95	1. Gross Traffic Receipts	94,840.44	106,239.00
2,155.86	2,829.88	2. Miscellaneous Receipts		
		(a) Subsidy from General Revenues towards dividend relief & other concessions	2,190.87	3,022.61
109.46	126.72		119.89	131.52
2,265.32	2,956.60	(b) Other Miscellaneous Receipts	2,310.76	3,154.13
89,229.29	97,721.55	3. Total Receipts	97,151.20	109,393.13

65,810.35	65,000.00	4. Net Ordinary Working Expenses	67,000.00	73,650.00
14,918.00	14,500.00	5. Appropriation to Pension Fund	14,500.00	15,800.00
2,187.00	7,600.00	6. Appropriation to Depreciation Reserve Fund	5,700.00	7,000.00
82,915.35	87,100.00	7. Total Working Expenses [4+5+6]	87,200.00	96,450.00
		8. Miscellaneous Expenditure		
40.56	60.00	(a) O.L.W.R.	59.00	60.00
729.29	780.00	(b) Other Miscellaneous Expenditure	870.34	890.00
769.85	840.00		929.34	950.00
83,685.20	87,940.00	9. Total Expenditure [7+8]	88,129.34	97,400.00
5,544.09	9,781.55	10. Net Revenue [3-9]	9,021.86	11,993.13
5,543.34	6,608.46	11. Dividend Payable to General Revenues	4,917.36	6,734.72
0.75	3,173.09	12. Excess/Shortfall [10-11]	4,104.50	5,258.41
0.75	2,800.00	13. Appropriation to Development Fund	2,358.00	2,400.00
..	373.09	14. Appropriation to Capital Fund	1,746.50	2,858.41
..	..	15. Appropriation to Railway Safety Fund
95.3%	92.3%	16. Operating Ratio	92.1%	91.1%
4.5%	6.9%	17. Ratio of Net Revenue to Capital-at-Charge and investment from Capital Fund	6.3%	7.6%

10. The estimates of expenditure from the Consolidated Fund included in the Budget Statement and required to be voted by the Lok Sabha are submitted in the form of Demands for Grants. There are sixteen Demands for Grants of Railways. Demand Nos. 1 to 15 which relate to Revenue account contains expenditure to be incurred on the day-to-day working by various Departments in the Railways' miscellaneous establishments. Demand No. 16 relates to expenditure to be incurred by the Railways on Works Account. Expenditure under Demand No.16 - Assets-Acquisition, Construction & Replacement is made on works/projects which, *inter alia*, cater to development of infrastructure, renewal and replacement of assets, amenities for passengers, amenities for staff, etc. Plan head-wise gross outlays and expenditure and also the physical targets vis-a-vis achievements have been dealt with in the succeeding paragraphs. Demand for Grants of the Railways for 2011-12 are given in the following statement:-

(In thousands of rupees)

No. of Demand	Name of Demand	Total Demand	
		Voted	Charged
1.	Railway Board	196,27,00	..
2.	Miscellaneous Expenditure (General)	683,03,00	71,00
3.	General Superintendence and Services on Railways	4996,02,00	..
4.	Repairs and Maintenance of Permanent Way and Works	8154,64,61	87,69
5.	Repairs and Maintenance of Motive Power	3661,16,64	..
6.	Repairs and Maintenance of Carriages and Wagons	8273,87,21	6,00
7.	Repairs and Maintenance of Plant and Equipment	4672,96,27	3,15
8.	Operating Expenses – Rolling Stock and Equipment	6448,07,47	..
9.	Operating Expenses – Traffic	13324,22,61	29,93
10.	Operating Expenses – Fuel	17288,48,14	13,76
11.	Staff Welfare and Amenities	3916,26,55	15,50
12.	Miscellaneous Working Expenses	3684,74,28	159,01,08
13.	Provident Fund, Pension and Other Retirement Benefits	16479,74,14	49,51
14.	Appropriation to Funds	28068,41,00	..
15.	Dividend to General Revenues, Repayment of loans taken from General Revenues and Amortization of Over-Capitalization	6734,72,00	..
16.	Assets – Acquisition, Construction and Replacement		
	Revenue	59,80,000	20,00
	<u>Other Expenditure</u>		
	Capital	53501,36,79	49,40,00
	Railway Funds	15137,70,00	8,80,00
	Railway Safety Fund	1998,40,00	1,60,00
	Total	197279,87,71	221,77,62

XI Five Year Plan targets and anticipated achievements

Passenger & Freight Traffic

11. The Committee desired to know the major objectives for the Railway Sector in the XI five year plan. In reply, it has been stated to be to create adequate transport capacity to handle the projected passenger and freight traffic growth in the medium and the long-term in the Indian economy, and provide improved services to both these segments.

12. The Committee further asked how far the Railways have been able to achieve their objectives and what would be the areas of shortfall. In reply, it has been stated that on traffic transportation front, the Railways would be meeting the originating passenger transportation targets and exceeding the Passenger Kilometer target; however, there is a downward revision in the freight traffic transportation target during the mid-term review. The targets and likely achievements for traffic transportation are given as under:

Item	XI Plan Achievement	XI Plan Original Target	Revised Target for XI Plan during Mid Term Appraisal	Likely achievement up to 2010-11	Likely achievement up to 2011-12
Originating Traffic (MT)	728	1100	1020	924	993
Net Tonne Kilometer (NTKM) (Billion)	481	702	674	612	659
Originating Passengers (Million)	6219	8400	8200	7831	8272
Passenger Kilometres (Billion)	695	924	1100	1007	1085

13. As regards the reason for the downward revision in the targets for freight transportation, it is stated to be largely the reduced demand because of the economic slowdown with the GDP growth rate falling from 9% in 2007-08 to 6.7% in 2008-09, impacting both the domestic demand and the freight traffic.

14. In this context, the Chairman, Railway Board, during evidence, submitted as under:

“ We had an economic downturn in the year 2008. The years 2004-05, 2005-06 and 2006-07, three years, were of very good economic growth in the country. We had an economic downturn after the trouble took place in the USA. That happened in 2008. The years 2008-09 and 2009-10, two years, got impacted due to that downturn in the economy all over the world. The Indian growth story also got slightly reduced. That is why we have not been able to give the same growth rate in the earnings and freight operations.”

15. On being asked, the Ministry of Railways have stated to have taken a number of steps to improve freight services like improved freight incentive policies, freight marketing of select commodities by third parties, liberalized wagon investment scheme, time tabled parcel trains and introduction of refrigerated parcel vans. Further, steps to improve passenger services include introduction of new trains, increase in frequency of trains, augmenting carrying capacity of trains by adding coaches, introduction of non-stop train service by the name of “Duronto”, introduction of low priced fast train services by name of “Yuva” for the youth and low income group and introduction of “ladies only” EMU train, launch of Clean Train Station Scheme and On Board House Keeping Service, provision of cushioned seats in unreserved coaches, etc.

Fixed Infrastructure

16. When enquired about the targets and the likely achievements in respect of fixed infrastructure creation during the XI Five Year Plan, the details are given as under:

Item	X Plan Achievement	XI Plan Original Target	Revised Target for XI Plan during Mid Term Appraisal	Likely achievement up to 2010-11	Target for 2011-12	Likely achievement in the XI Plan
New Lines	920	2000	2000	1471	1300	2771
Gauge Conversion	4289	10000	6000	4428	1017	6555
Doubling	1300	6000	2500	1937	867	2804
Railway Electrification	1810	3500	4500	3416	1000	4416

17. It may be seen that in fixed infrastructure creation, Railways would be exceeding the original targets of XI Five Year Plan for New Lines and Electrification. It has been stated that although the targets for Doubling and Gauge Conversion have been revised downward during the mid-term review, the achievements would still be 150% to 200% more than the achievements in the previous plan (X Plan) period.

18. Regarding the reasons for the downward revision in target for gauge conversion and doubling, they are stated to be certain factors beyond the control of the Railways like delays in land acquisition and forestry clearance, contractual delays due to unprecedented increase in price of steel, adverse law and order condition in certain areas, etc. It has further been stated that though execution of doublings is complex in nature involving working near to the existing lines, modifications to the existing yard and signaling installations, even then a very ambitious target was fixed to gear up the organization. There is also stated to be a wide gap between the availability and requirement of funds for execution of projects.

19. During evidence, in the context of the downward revision of the targets for gauge conversion, the Chairman, Railway Board, supplemented as under:

“ The reason for this was that around Eleventh Plan preparations we were not sure about the dedicated freight corridor to be taken up. Once these two corridors were sanctioned this was reduced because many doubling projects were not needed. ... Gauge conversion is an exercise which started in the year 1993-94. For about 17-18 years, the gauge conversion has seen that almost all routes have been converted with the sole exception of 8,000 kms. out of which about 2,500 kms. are hill Railways and narrow gauge lines and rest of all is sanctioned. This work is going on in sections. In some places the terrain is difficult or the returns are not very good. In almost three to four years time it will be over and nothing will remain.”

Rolling Stock

20. As regards the targets and likely achievements on rolling stock production and procurement front during the XI Plan period, the details are as under:

Item	X Plan Achievement	XI Plan Original Target	Revised Target for XI Plan during Mid Term Appraisal	Likely achievement up to 2010-11	Target for 2011-12	Likely achievement in the XI Plan
Wagons	36,222	62000	62000	44964	18000	62964
Coaches (including EMU/MEMU /DEMU	12,202	22500	19863	13488	3786	17274
Diesel Loco	622	1800	1019	987	300	1287
Electric Loco	524	1800	1205	945	280	1225

21. It may be seen that the Railways would be exceeding the original targets in respect of wagons. Against the target of 62000 wagons, the likely achievements is 62964. At the same time, in respect of coaches, there is a drastic shortfall in the achievement of targets. As against the original and revised targets of 22500 and 18550 coaches, the likely achievement is 17234. Further, with regard to diesel locomotives and electric locomotives, against the original targets of 1800 (in both cases) and the revised targets of 1379 and 1205, respectively, the likely achievements are 1304 and 1200, respectively.

22. The Committee asked about the reasons for the downward revision in the targets for locomotives and coaches during the mid term review. It has been replied that the downward revision is mainly because of the gestation time in coming up of the new factories for diesel and electric locomotives. It has further been stated that although there is a downward revision, the achievement would be nearly double of that achieved during the previous Plan period.

FINANCIAL PERFORMANCE

23. The Plan expenditure in years 2007-08, 2008-09, 2009-10, 2010-11 and estimates for 2011-12 are as under:

XI Plan	Approved	2007-08 (actual)	2008-09 (actual)	2009-10	2010-11 (BE)	2010-11 (RE)	2011-12 (BE)	Total Plan outlay
Gross Budgetary Support (GBS)	63635	8668	10110	17716	16752	18230	21041	75765
Internal Resources	90000	14948	18941	12196	14523	12215	14219	72519
Extra Budgetary Support (EBS)	79654	5364	7284	9760	10151	9870	22370	54648
Total	233289	28980	36335	39672	41426.00	40315	57630	202932

24. It may be seen from the above that the XI Plan is likely to fall short of the target by Rs. 30,356 crore. The original XI Plan outlay comprised Gross Budgetary Support of Rs. 63635 crore (27% of the total Plan), internal resources of Rs.90000 crore (39%), and Extra Budgetary Resources (EBR) of Rs.79,654 crore (34%). However, the resource mobilization is likely to be Gross Budgetary Support of Rs. 75,765 crore (37% of the total Plan), internal resources of Rs.72,519 crore (36%), and Extra Budgetary Resources (EBR) of Rs.54,648 crore (27%)

25. On being enquired about the reasons for the lower mobilization of internal resources, it has been replied that investment through internal generation of resources is short of the target primarily because of the impact of the 6th Pay Commission which has led to an addition outgo of Rs. 73000 crore in the last four years of the Plan since 2007-08. The Railways have been able to meet the targets from market borrowing through the Indian Railway Finance Corporation(IRFC).

26. The other reason is stated to be the economic slow down with the GDP growth rate falling from 9% in 2007-08 to 6.7% in 2008-09, as a result of which the incremental traffic earnings, particularly the freight, has slowed down over the previous years. The lower mobilization of extra budgetary resources is primarily due to the non-materialization through the PPP route.

27. Regarding measures proposed to be taken to improve the internal resources, it has been informed that the process for formulation of the XII Five Year Plan has just been initiated and the strategy for resource mobilization for the next Plan period is to be formulated. However, for increasing the internal resource mobilization, the focus would largely be on increasing the freight transportation output. Also, with the impact of the VI Pay Commission having been fully absorbed, the internal resources are likely to increase more than in the previous few years.

28. The Committee further desired to know whether the budgetary allocations during the XI Plan under various Heads of the Grant were found to be sufficient to undertake various activities under those Heads in the last 4 years. If not, how the shortage of funds have affected the execution of railway projects/activities. The Committee also enquired about the projects which had been shelved/kept pending due to the paucity of funds. In reply, it has been stated that the revenues of the Railways are utilized for Plan investment after meeting the requirement of operating expenditure and pension liabilities. With the implementation of the VI Pay Commission recommendations, the availability of resources for Plan investment has not been up to the expectation. Considering the limited budgetary support, the Plan investment has been lesser than projected in the Vision 2020 although it is increasing every year. With a huge shelf of projects and non-availability of resources, some projects receive lesser allocation of funds. However, the Railways strive to utilize funds in an optimal manner by prioritizing the works. Measures to augment revenues are also afoot, including mobilization through public private partnerships, cost sharing with State Governments and other stake holders, market borrowings, etc.

29. During evidence, to a suggestion made by a member that in order to bridge the gap between the requirement and availability of funds for execution of projects Railways should go in a big way for railway infrastructure bond, the Chairman, Railway Board, responded as under:

“Madam is absolutely right. I am very thankful to the MP from Andhra Pradesh also for suggesting. This year we are having a plan outlay of Rs.57,000 crore and out of that we are going to raise Rs.10,000 crore through tax free bonds. This is for the first time the Ministry of Finance has approved the Railway Ministry’s proposal to raise tax free bonds and this is due to your effort, Madam that you have been raising it on the floor of Parliament. With all your kind support to us, we are very hopeful that we will be able to raise this. If this becomes a success, I think we should be able to create an edifice of an organisation which can find fund for growth of Indian Railways by issuing tax free bonds. I am very sure the way we saw the response to the Coal India divestment, we are going to have Rs.10,000 crore. We are going to come out with a tax free bond in 2-3 months’ time.”

GROSS TRAFFIC RECEIPT

30. Gross Traffic Receipts of the Ministry of Railways for 2007-08 to 2011-12 (BE) are given as under:

		Gross Traffic Receipts (Rs. in Crore)	
2007-08	B.E.	71318	
	R.E.	72755	
	Actuals	71720	
2008-09	B.E.	81901	
	R.E.	82393	
	Actuals	79862	
2009-10	B.E.	88419	
	R.E.	88356	
	Actuals	86964	
2010-11	B.E.	94765	
	R.E.	94840	
2011-12	B.E.	106239	

31. It may be seen that gross traffic receipts in 2007-08 were short of the R.E. target by Rs. 1035 cr. The shortfall in meeting the target is stated to be mainly due to lesser growth of 3.2% in number of passenger originating as against 5.6% envisaged in R.E. and lesser yield per million tonne of freight traffic attributable to rationalization of freight structure and change in commodity-mix. However, these exceeded the B.E. target by Rs. 402 cr.

32. The Committee have further been informed that in 2008-09, gross traffic receipts fell short of the target by Rs. 2531 crore due to the recessionary trend in the economy noticed in the latter part of 2008-09 which impacted the traffic movement of the Railways. Consequently, freight loading for the fiscal at 833 million tonnes fell short of the R.E. target by 17 million tonnes. This, coupled with lower passenger throughput due to drop in average lead, lower parcel earnings and non-realization of traffic outstanding, resulted in lesser earnings.

33. It was further stated that in 2009-10, the growth in non-suburban passenger segment was less than the target of 9%, which impacted the overall

yield of passenger traffic and consequently the passenger earnings. The Railways also could not achieve the revised freight loading target of 890 million tonnes, falling short by 2 million tonnes. These factors, coupled with an accretion of Rs. 141 cr. to traffic outstandings as against a clearance of Rs. 75 cr. envisaged in R.E., resulted in a shortfall in gross traffic receipts of Rs.1392 cr.

PASSENGER EARNINGS

34. The Committee wanted to be apprised of the passenger earnings of Indian Railways from 2007-08 to 2011-12 (BE). The details have been furnished as under:

		Passenger Earnings (Rs. in Crores)
2007-08	B.E.	20075
	R.E.	20075
	Actuals	19844
2008-09	B.E.	21681
	R.E.	22330
	Actuals	21931
2009-10	B.E.	24309
	R.E.	24057
	Actuals	23488
2010-11	B.E.	26126
	R.E.	26126
2011-12	B.E.	30456

35. It may be seen that passenger earnings of Indian Railways during 2007-08, 2008-09 and 2009-10 were short of the target by Rs.231 crore, Rs.399 crore and Rs.569 crore, respectively. When asked about the reasons for the shortfall, they are stated to be lesser growth in number of originating passengers, drop in lead and yield of traffic. Further, the drop in yield is stated to be attributable to cancellation and short termination/diversion of trains due to unforeseen circumstances like fog/floods/bandhs/ agitations, etc.

Annual Plan 2011-12

Budget Grant

36. During evidence held to discuss the Demands for Grants for the year 2011-12, a representative of the Ministry of Railways submitted as under:

This time we have projected the highest ever Annual Plan, which is Rs.57,630 crore. It has never been so much so far. This includes Rs.10,000 crore which is expected to be raised from tax free bonds to finance the capacity enhancement works for the first time on such a large scale. These tax free bonds will be used for gauge conversion, doubling, traffic facility, electrification projects and S&T works. In any case, this has been raised through IRFC and IRFC raises money for rolling stock. So, this is in addition to that.

In our book of highlights, we have given the highlights for the system, which we have accomplished last year, which we hope to accomplish in the current year. For instance, a major area like new lines, we will be completing about 700 KMs of new lines. There is still a little while to go but 700 KMs would be the target as against an average of about 180 to 200 KMs per year so far. In 2011-12, our target is 1300 kilometres for new lines. We hope that the network which we are going to now have in extremist and Naxalite-prone areas will hopefully bring them to the national mainstream.

In the Budget speech, the hon. Railway Minister mentioned about introducing a non-lapsable fund for implementing the Pradhan Mantri Rail Vikas Yojana to expedite completion of pending, outstanding socially desirable lines. Similarly, a non-lapsable fund for railway projects in the North-East region has been created. We have set aside Rs.2,100 crore for national projects. So, except for some allocation for Udampur-Baramulla project, the rest would be there for being provided for the North-East region.

We have also announced setting up of a slew of or host of rail-based industries for manufacturing coaches, wagons, loco components, track machines, etc., all over the country to give a boost to employment opportunities. ...In our Gross Plan Outlay, which is our Demand 16, our plan expenditure for investments, we actually spend according to the area of work, the nature of work. So, this is referred to in the Railway jargon as Plan Heads. This year we have allocated for new lines Rs.9584 crore which consists of those new lines also which are dividend free where they are not very remunerative and where we do not pay dividend. So, the overall investment is Rs.9584 crore. For Gauge Conversion

Rs.2776 crore; for Doubling Rs.5418 crore; for Traffic Facilities Rs.1032 crore have been provided. For S&T works we have got Rs.1101 crore; for Electrification projects Rs.978 crore. These are the major components of our Plan expenditure. I have not mentioned the rolling stock, that is our procurement. That is a big amount. We do have it every year which is Rs.14120 crore for this year. Our overall net Plan outlay is Rs.57630 crore.”

37. The Committee desired to know the thrust areas for the Railways during 2011-12 and extra measures proposed to be taken to optimally achieve the targets set during the year. They also wanted to know whether the allocation of funds during 2011-12 for different projects/activities are adequate and also the details of those projects which the Railways would have to keep pending for want of funds. In reply, it has been informed that the major thrust areas are setting up of several rail based industries, infrastructure expansion through construction of new lines, doubling and metropolitan transport projects. Allocation of funds has been stepped up through higher budgetary support and mobilization of Rs 10,000 crore through issue of tax-free bonds. Efforts would also be made to mobilize higher investments through PPP route and cost sharing with State Governments and other stake holders.

38. It has further been stated that the allocation of Rs.57,630 crore for 2011-12 is higher than the Budget Estimates of 2010-11 by Rs.16, 204 crore. The allocation is considered adequate with much higher budgetary outlays for new lines, doubling and metropolitan transport projects. The Budget provision for 2011-12 has been made on the basis of availability of resources and requirement of the Railways. The Plan would be reviewed at the next Budgetary review stages and suitable rearrangement would be made accordingly. No projects/activities are proposed to be shelved for want of funds.

New Lines Construction

39. While examining Demands for Grants(2010-11), the Committee had observed that as outlined in “Vision 2020”, a target had been fixed to construct 25000 Route Kilometers of new lines in the next ten years. A target for 1000 Route Kilometers was fixed for the year 2010-11.

40. It is seen that during 2010-11, out of the target of 1000 Route Kilometers, Railway could achieve a progress of 709 km for new line construction. A target to construct 1075 Route Kilometers of new lines has been kept for the year 2011-12.

41. When asked about the reasons for revising the physical targets downwards to 700 km from 1000 km during 2010-11, when the financial allocation was revised upward from Rs. 4387.20 crore to Rs. 5044.69 crore, it has been stated that additional financial allocation was necessary to achieve the progress of 709 km. The Committee asked that looking at the past performance, how the Ministry would achieve an ambitious target of 1075 km of new lines during 2011-12. In reply, it has been stated that the Indian Railways had achieved a progress of 709 km for new line constructions in 2010-11 which is almost four times the average progress of 180 km per year achieved since Independence and is also almost double of the highest ever performance in one year. Though the target of 1000 km could not be achieved, but the progress is well above past performance. Further, the ambitious target of 1075 km for the year 2011-12 basically consists of 300 km spill over of 2010-11 and 1000 km new targets. The Railways is making all out efforts to achieve the targets set for 2011-12.

42. The Committee further observed that the BE of Rs. 9584 crore for 2011-12 for new line projects is 69% higher than the previous year's allocation. When asked about the reasons for such substantial increase, it has been stated that although the Indian Railways achieved the target of 709 km new lines during 2010-11 which is almost double of the maximum achievement in one year, for 2011-12, the target has been fixed at 1300 km. In order to achieve such a massive target, funds are required.

Gauge Conversion

43. An outlay of Rs. 1319.90 crore was kept for Gauge Conversion during 2010-11; however, the same was enhanced at RE stage to Rs. 2264.11 crore keeping the physical target at the same level of 800 km. A physical target of 1017 km of gauge conversion with a financial allocation of Rs. 2470 crore has been kept for the year 2011-12.

44. The Committee desired to know the reasons for increasing the financial allocation from Rs. 1319.90 crore to Rs. 2264.11 crore for gauge conversion during 2010-11. In reply, it has been stated that the initial allocation of Rs.1319.90 crore was made as per the availability of resources. The requirement of funds to achieve the target of 800 km was much higher than the initial allotment. Additional funds for targeted projects were provided through re-appropriation from non-targeted projects and from other Plan heads.

45. The Committee further wanted to know when for 800 kms of gauge conversions, the financial allocation was raised to Rs. 2264.11 crore during 2010-11, how would the Ministry justify the allocation of only Rs. 2470 crore for the year 2011-12 for achieving a higher target of 1017 km of gauge conversion. In reply, the Ministry have stated that the allocation of Rs.2470 crore during 2011-12 is substantially higher than the initial allotment of Rs.1319 crore of 2010-11. Fund allotment has been increased considering higher targets during 2011-12. However, additional funds required for targeted projects will be taken care of at the revised budget estimate stage or through re-appropriation.

Doubling

46. During 2010-11, BE of Rs. 1818 crore was made for doubling the existing railway routes which was revised to Rs. 2205 crore at the RE stage. However, the physical target of Rs. 700 Kms remained unchanged at the RE stage. When asked about the reasons for the same, it has been stated that not only new lines, in doubling also, the Indian Railways has achieved best ever performance in a single year by completing doubling of 769 km. Additional funds were required to achieve the targets.

47. The Committee further pointed out that when the financial allocation for 700 kms for doubling of rail lines was raised to Rs. 2205 crore during 2010-11, why during 2011-12, a higher allocation of Rs.5418 crore (which is around 146% higher than the earlier allocation) has been made for executing 867 km(only 167 km more than the last year target) for doubling of rail lines.

48. The Ministry have stated that the allotment of Rs.5418 crore for doubling projects would be utilized for targeted projects as well as for progressing other doubling projects which were not targeted for completion during 2011-12 but would get completed in the coming year. Doubling was very important in enhancing throughput capacity for taking care of increased offering of traffic due to projected high growth in economy in the coming years.

49. It has further been informed that as on 01.04.2011, there are 163 doubling projects covering a length of more than 8300 km under various stages of execution. These projects are essentially required to provide additional capacity for achieving loading targets. Additional funds shall be utilized for progressing these important capacity enhancement works.

Rolling stock capacity augmentation

50. It has been observed that during 2010-11, physical targets were kept at 18000 wagons, 4621 coaches and 530 locomotives; however, the same were revised downward to 14500 wagons, 3700 coaches and 515 locomotives. The financial outlay was, however, revised slightly downwards from Rs. 13140 crore to Rs. 13088 crore. When asked about the reasons for downsizing the targets, it has been stated to be that while output of Railways' own production units has been as per the targets, production by units under public/private sectors has been less than the anticipated level.

51. Asked about the reasons cited by the public/private sectors for not fulfilling the set targets, it has been replied that the wagon manufacturing Public Sector Units are sick and already referred to BIFR. However, except one PSU wagon builder, all other PSU wagon builders have now been taken over by

Railways and most of them are already marching on the path of revival. As regards private units, except one unit, all other units have shown remarkable improvement in performance. The single unit that performed badly was solely due to its own internal management problems.

52. The Committee asked whether the Railways would be able to achieve the higher targets set during 2011-12 of 580 locos, 3780 coaches and 18000 wagons with an allocation of Rs. 14120 crore which is just Rs.1032 crore higher than the last year's revised allocation of Rs. 13088 crore. In reply, the Ministry have stated that the availability and expenditure of funds on manufacturing of rolling stock in the first half of the financial year is observed and suitable enhancement/curtailment with reference to the physical progress is done at RE stage. In view of the above, additional funds, if required, would be made available at RE stage to comply with the physical targets.

BRIDGE WORKS

53. To a specific query, the Committee have been informed that during 2010-11, the target for rebuilding/rehabilitation/strengthening of bridges was kept as 1347 no. of bridges. During 2010-11, the Original Budget Allotment for PH-32 (Bridge Works) was Rs. 408 crore (gross) and Rs. 400 crore (net). In December 2010, the regulated budget grant for PH 32 was reduced to Rs. 350 crore by Budget Directorate. Subsequently, during RE in January 2011, the outlay for PH-32 was further reduced to Rs.317.5 crore whereas the demand from Railways in RE was Rs. 461.7crore.

54. It has further been stated that in view of the reduced outlay in RE during 2010-11, the target for rebuilding/rehabilitation/strengthening of bridges during 2010-11 was reduced to 1050 number of bridges in proportion to the reduction in the budget allotment for PH-32 with the approval of Board(ME). The progress of rebuilding /rehabilitation/ strengthening of bridges during 2010-11 is 1197 number of bridges while the percentage achievement vis-à-vis the revised target is 114%.

Signalling & Telecommunication Works

55. The Committee have been informed that the signaling works plays a major role in reliable, faster and safer operation of trains, besides increase in section capacity. The details are given as under:

Signaling:

- The various works undertaken under Signaling items include replacement of overaged signaling assets, track circuiting, block proving axle counters, automatic block signaling, provision of train protection systems, Train Management Systems, etc.
- Besides work of interlocking, provision of telephone at level crossing is also given special emphasis whenever a gate is manned.
- Replacement works are necessary to replace overaged signalling equipment which have outlived their Codal life and are required to be replaced as safety measure.
- The benefit of track circuiting lies in helping safe operation of trains as it avoids human dependence to physically check the clearance of track in station section.
- Automatic signaling enhances line capacity by permitting more than one train between two stations.
- Block proving axle counter provides automatic verification of clearances of block sections and complete arrival of train which otherwise is done manually by the station staff, thus reducing human dependence further.
- In order to improve reliability and visibility of signals to loco pilots, outdated filament type signals are replaced by high visibility LED signals.
- Train Protection system is undertaken as an aid to loco pilot to prevent cases of over-speeding and Signal Passing at danger (SPAD).

56. The Committee have observed that BE and RE for Signalling & Telecom in Railways during 2010-11 was Rs. 1124.00 crore and 915.00 crore respectively. Further, BE for 2011-12 has been kept at 1102.00 crore.

57. As regards the expected achievement during 2010-11 with respect to replacement works, track circuiting, LED Signals and Automatic Block signalling, it has been stated that fund constraints will affect achievement.

When asked how the Railways proposed to solve the existing problem of fund constraints with even less allocation of Rs. 1096.38 crores during 2011-12 than in the previous year for Signalling & Telecommunication works, it has been stated that the Railways are striving to generate adequate resources to finance plan investment by ways of better asset utilization, reduction in working expenses and innovative measures to attract investment through public private participation. Prioritization of work to ensure optimum utilization of available resources and achieve maximum benefits is also being resorted to. Targets are kept commensurate with the budget allocation. The current year allotment of funds is not adequate to complete these works early. Special railway safety funds may have to be arranged.

58. As regards the developments with regard to Anti-Collision Devices(ACDs), the Minister of Railways, in her budget speech, had stated that ACD has so far been implemented in NF Railways. The recent trials with improved version of ACD, i.e. Train Collision Avoidance System(TCAS) have met with success and it will be commissioned on three Zonal Railways, viz. Southern, South Central and South Western Railways. Considering the successful trials, it has been decided to extend this device to Eastern, East Coast, East Central and South Eastern Railways. With this they will cover 8 of the 17 zonal Railways.

59. As regards the progress of the work with respect to the anti-collision devices during the year 2010-11, it has been observed from the Performance Budget of the Ministry of Railways that work has been approved for extension on Southern, South Central and South Western Railways and trials with modified version of ACD were completed on electrified multiple lines and automatic signaling sections on Southern Railway in June, 2010. The trial results had been stated to be under evaluation.

60. In this context, in an information later on furnished to the Committee, it has been stated that four works of ACD/TCAS were sanctioned during the year 2011-12 in four Railways, i.e. Eastern Railway, East Coast Railway, East Central Railway and South Eastern Railway. Allotment of Rs. 28 crore has

been made during 2011-12, including ACD/TCAS works in Southern, South Central and South Western Railways.

61. The Committee enquired about any time bound programme being chalked out by the Ministry to commission ACD in all the 17 Zonal Railways. The Ministry have stated that for covering Indian Railways, multiple vendors will have to be developed for TCAS/ACD to expedite the work and to provide long term maintenance support. Action plan to provide On Board Train Protection/collision prevention systems by 2020 has been prepared covering BG Routes of Indian Railways.

Railway Research

62. The Committee have observed that BE and RE for 2010-11 for Rail Research was 78 crore and 41.91 crore respectively. It has been stated that due to financial constraints and looking at the trend of expenditure, the allotment of funds for Plan-Head "Railway Research" was reduced in Revised Estimate 2010-11 to Rs.41.91 crore. Accordingly, expenditure was regulated as per the Revised Budget Allotment.

63. The financial allocation vis-à-vis utilization of funds for Railway Research under Plan Head Railway Research during the last three financial years is given below:-

(Figures in crores of Rs.)

S.No.	Year	Budget allotment	Final Modification	Actual expenditure
1.	2007-08	60.00	21.11	19.79
2.	2008-09	62.00	25.64	23.77
3.	2009-10	61.00	42.07	43.57

64. It is further seen that BE of Rs. 71 crore has been kept for the year during 2011-12. The proposed plan for optimal utilization of Budget allocation of Rs. 71 crores during 2011-12 is as follows:-

1.	Proposed expenditure by IIT/Kharagpur regarding setting up of CRR at IIT/Kharagpur	Rs. 10.0 crore
2.	50% expected expenditure of Rs.21.6 crore allotted during 2011-12 for projects undertaken at CRR, IIT/Kharagpur	Rs. 10.8 crore
3.	40% expected expenditure of Rs. 26.99 crore allotted during 2011-12 for projects undertaken by RDSO	Rs. 10.8 crore
4.	Lump sum new works under DG's power	Rs. 8.5 crore
5.	Works in progress	Rs. 31.0 crore
6.	Total	Rs. 71.1 crore

65. As regards efforts being made to fully achieve the financial and physical targets for Railway Research for the XI Plan period, it has been stated that no specific targets are stated to have been kept for Railway Research in the mid-term appraisal of the XI Plan. However, all reasonable efforts are being made to achieve the physical and financial targets and progress of projects is periodically reviewed at various levels, including at the level of Director General/RDSO and Railway Board.

66. To a related query, it has been stated that the Indian Railways is constantly endeavouring to improve the Research and Development work. In this direction, a Memorandum of Understanding (MoU) has been signed with IIT/Kharagpur for setting up a "Centre for Railway Research" at Kharagpur for research in key areas of railway technology. This Centre will facilitate

indigenous research and development of cutting-edge technology, along with RDSO. In addition, RDSO is interacting with educational institutions, including IITs, and organisations like CSIR and DRDO for collaborative research on various Railway related projects.

67. The Committee learnt that a Committee of senior Railway officers was constituted to review and revamp the working of RDSO. On being asked about the findings of the Committee, it has been informed that the above mentioned Committee, in its Report, has brought out various factors which have been affecting the Research and Development work at RDSO and has proposed some organisational changes at RDSO. The Committee has also reviewed the Vendor approval work at RDSO and suggested some changes in this regard. The Report of the Committee is under consideration.

PASSENGER AMENITIES

68. As regards the targets vis-à-vis achievements with respect to Adarsh Stations, model stations, World class stations and Multi Functional Complexes (MFCs) during the last 2 years, the Committee have been informed under:

S.No.	Name of developmental scheme	Targeted for completion during the last two years (2009-10 & 2010-11)	Completed during the last two years (2009-10 & 2010-11)
1.	Model station	221	135
2.	Modern (Touch & Feel) station	211	134
3.	Adarsh stations	464	400
4.	World Class stations	0	0
5.	Multi Functional complexes (MFCs)	17	10

69. As regards the targets fixed for the above mentioned projects during the year 2011-12, it has been informed as under:

S.No.	Name of developmental scheme	Targets for completion during 2011-12
1.	Model station	86
2.	Modern (Touch & Feel) station	77
3.	Adarsh stations	302
4.	World Class stations	2
5.	Multi Functional complexes (MFCs)	49

70. Asked to state the measures taken/proposed to optimally achieve the set targets, it has been stated that the Zonal Railways have been asked to initiate necessary action and plan accordingly for achieving the targets. Progress of the schemes are monitored at various levels to ensure the targets.

AUGMENTATION OF TRAIN SERVICES

71. The Committee have observed that as against the additional 124 train services announced during 2010-11, only 91 have been started/implemented as per the latest information furnished to the Committee. When asked about the constraints in starting the remaining train services, it has been stated out of the 124 train services announced during 2010-11, 109 train services have been started by 31 March 2011. The remaining 15 train services are yet to be implemented so far, owing to various constraints like non-availability of rolling stock, non-completion of gauge conversion works as also non-receipt of necessary clearance from the Commissioner of Railway Safety (in case of newly opened and gauge converted sections).

METROPOLITAN TRANSPORT PROJECTS

72. The Revised Estimates during 2010-11 for metropolitan metro projects had been Rs. 573 crore. However, the BE for 2011-12 has been kept at Rs. 6502 crore which is 1034% higher than the previous year's allocation. When asked about the reasons for such substantial increase, it has been stated that the major increase under the MTP Plan Head is for 4 works of Metro Railway, Kolkata, which were sanctioned in the year 2010-11. The total allotment for these works is Rs.5825 crore. Out of these four works, one work of construction of Metro Railway between Naopara – Barasat is being executed by Metro Railway, Kolkata, and the remaining three works are being executed by RVNL. The works proposed to be carried out during the year 2011-12 are Design of Works, civil works pertaining to Construction of Metro Railway and other associated works like utility diversions, diversion of roads, land acquisition, etc.

73. It has been further stated that the execution of Metro projects is dependent on many aspects like timely acquisition of land, clearances from various State/Central Government Agencies, Shifting of Utilities etc. Monitoring of the progress shall be done by a Core Committee of Railway Board so that targets can be achieved optimally.

MULTI-PURPOSE SMART CARDS

74. It has been observed that the “Go-India” smart card was announced by Hon’ble MR in the budget speech of 2011-12. The *inter-alia* extract of the speech pertaining to the same (Item53) is reproduced below :

“Introduction of a pan-India, multi-purpose “Go-India” smart card on a pilot basis. This will be one single window package for the passenger to seamlessly pay for tickets for long distance, suburban, metro etc. journeys. The card can be used in booking counters, vending machines, internet, etc.”

75. As regards the future course of action, it has been informed that in compliance, the Indian Railways proposes to launch this Smart Card in collaboration with Public Sector Banks as per the regulations of RBI/CGA. For

this, an Expression of Interest (EOI) is proposed to be called for implementation of the “Go India” card project on the Delhi-Mumbai sector on pilot basis.

76. It is envisaged that the Smart Card will be used to dispense reserved/unreserved tickets and booking of retiring rooms through the use of Automatic Ticket Vending Machines (ATVMs), Validators, etc., thereby obviating the need for passengers going to the counters. However, it will be possible to gauge the exact impact only after the implementation of the pilot scheme.

CENTRAL ORGANIZATION FOR PROJECT IMPLEMENTATION (COPI)

77. The Committee have observed that the Hon’ble Minister of Railways in the Budget speech 2011-12 had announced a proposal to set up a Central Organization for project implementation with offices in Delhi, Kolkata, Mumbai and Bangalore, each headed by an officer of GM rank. Proposal for setting up the said central organization has been initiated.

RAILWAY TRACKING SYSTEM

78. The Committee had learnt that the Railways had carried out a pilot project with IIT, Kanpur, on tracking of mail/express trains. The Committee were later on apprised that the system developed by IIT/Kanpur on tracking of mail/express trains was under consideration in the Ministry of Railways.

79. As regards the progress in the matter, the Committee have been informed that the work of Real-time Train Information System, based on the pilot project on tracking mail/express trains, carried out with IIT, Kanpur, has been sanctioned at a cost of Rs. 110 crore in Railway Budget for 2011-12 and the detailed estimate of the work is under process. Finer details on interfacing the system with existing I.T. system of Indian Railways are also being worked out separately.

PART-II

RECOMMENDATIONS/OBSERVATIONS

XI Plan targets and anticipated achievements

Financial Performance

1. The Committee note that during 2007-08, 2008-09 and 2009-10, the total receipts of the Railways have shown a decline in the actuals as against the Revised Estimates (RE). During 2007-08, 2008-09, and 2009-10, against the RE of Rs. 74,363.76 crore, Rs. 84,233.18 crore and Rs.90,713.07 crore, respectively, the actuals were Rs. 73,276.57 crore, Rs. 81,658.98 crore and Rs. 89,229.29 crore, respectively. Further, during 2010-11 the total receipts have been revised downward to Rs. 97,151.20 crore at RE from Rs. 97,721.55 crore of Budget Estimate (BE). Compared to the previous year of 2010-11, the total receipts at the BE stage for 2011-12 is higher by Rs.11671.58 crore at Rs. 109393.13 crore, which works out to an increase of 11.94 per cent. The Committee are deeply concerned that the Ministry had been far behind the targets of achieving the total receipts as projected by them during the previous years, which clearly indicate that either unrealistic projections were made or the Ministry could not make concerted efforts to realize the targets within the financial year. Looking at the past trend, the Committee are apprehensive of the optimal achievement during 2010-11 and 2011-12 as well. While expressing their desire to be apprised of the reasons for the shortfall in the realization of the total receipts than the projected level, the Committee would like to advise the Ministry to

closely monitor their total receipts to ensure optimal achievements of the target fixed at BE stage for the last financial year of the XI Plan.

2. Further, an analysis of the expenditure in the past years of the XI Plan reveals the constant increase from Rs. 54942.55 crore in the year 2007-08 to Rs. 72484.53 crore in the year 2008-09 and again from Rs.83685.20 crore in the year 2009-10 to Rs. 88129.34 crore in the year 2010-11(RE). Compared to the expenditure in the year 2010-11, the expenditure at BE stage for 2011-12 is higher by Rs.9270.66 crore at Rs. 97400 crore, which is 10.52 per cent increase. The Committee find to their dismay that the revenue of the Ministry has shown an increase of only 11.94 per cent in the BE of 2011-12 as compared to the RE of the previous year and the expenditure has shown an increase of 10.52 per cent at BE of 2011-12 as compared to the previous year, which seems to nullify the revenue earned by the Ministry.

3. The Committee note that the approved outlay for the XI Five Year Plan is Rs. 233289 crore with Gross Budgetary Support (GBS) of Rs. 63635 crore, Internal Resources of Rs. 90000 crore and Extra Budgetary Support of Rs. 79654 crore. They further note with concern that the XI Plan is likely to fall short of the target by Rs. 30,356 crore at Rs. 202932 crore with Gross Budgetary Support (GBS) of Rs. 75765 crore, Internal Resources of Rs. 72519 crore and Extra Budgetary Support of Rs. 54648 crore. The reasons for lower mobilization of internal resources are stated to be the substantial increase in expenditure consequent upon the implementation of the recommendations of the 6th Pay Commission which drained about Rs. 73000 crore of the railway revenue in four years

after 2007-08, besides the economic slow down with the GDP growth rate falling from 9% in 2007-08 to 6.7% in 2008-09, resulting in slow growth of the incremental traffic earnings, particularly the freight over the previous years. Further, the lower mobilization of extra budgetary resources is stated to be primarily due to the non-materialization through the PPP route. While the Committee do appreciate the constraints faced by the Ministry in controlling the expenditure due to the above mentioned factors, the Committee would like to urge the Ministry to give serious consideration to the issue of growing expenditure being incurred under different heads so as to have an effective control over the total expenditure to the extent possible. They would further like to impress upon the Ministry to analyse independently the reasons for the slow growth of their revenue and also the rise in expenditure. They recommend that the Ministry should make strenuous and concerted efforts to control their overall expenditure and also explore ways and means to increase their revenue.

4. While examining the Demands for Grants of the Ministry of Railways in the previous years, the Committee had observed that there had been a tendency to fix higher budgetary estimates and subsequently reduce them at the RE stage. The reasons for it could be partly the slow and tardy progress in the execution of projects as well as the non-availability of funds due to shifting priorities. The Committee are informed that with a huge shelf of projects and non-availability of resources, some projects receive lesser allocation of funds. The Ministry are, therefore, taking measures to augment revenues, including

mobilization through public private partnerships, cost sharing with State Governments and other stake holders, market borrowings, etc. The Committee are apprehensive whether these would materialise in view of the past records of the Ministry of Railways in this respect. The Committee would like to stress that the Ministry of Railways should pay serious attention to this aspect.

5. It is pertinent to mention here that though the Committee had specifically asked the Ministry to name those projects/ activities which had to be shelved in view of the paucity of funds, the same had not been provided, which has been seriously taken note of by the Committee. The Committee would further like to be furnished with the details of all the railway projects which have remained unfinished due to lack of funds and what is the quantum of finances required to complete those projects. The Committee would further like to be apprised of the new investment projects of the Railways for which private investment in PPP Projects would be needed. The Committee also forcefully emphasize the fact that efforts should be made to work out the PPP route in future ventures.

Passenger & Freight Traffic

6. The Committee are informed that the main objective for the Railway Sector in the XI Five Year Plan is to create adequate transport capacity to handle the projected passenger and freight traffic growth in the medium and the long-term in the Indian economy, and provide improved services to both these segments. They are, however, concerned that though the Railways are expecting to meet the

transportation targets and exceed the Passenger Kilometer target, there has been a downward revision in the freight traffic transportation target during the mid-term review of the Plan. As against the XI Plan original and revised targets for Originating Traffic (MT) of 1100 and 1020 respectively, the likely achievement is 993. Likewise, as against XI Plan original and revised targets for Net Tonne Kilometre (NTKM) (Billion) of 702 and 674, respectively, the likely achievement is 659 for originating Traffic(MT). The reason for the downward revision in the targets for freight transportation is stated to be largely the reduced demand because of the economic slowdown with the GDP growth rate falling from 9% in 2007-08 to 6.7% in 2008-09, impacting both the domestic demand and the freight traffic. While the Committee understand the constraints faced by the Ministry, they strongly desire that the Ministry should pay focused attention to enhance freight transportation output and explore ways and means to get the desired results in order to accomplish the objectives of the XI Plan. They would like to be apprised of the specific steps being taken by the Ministry in this regard.

Fixed Infrastructure

7. The Committee note with satisfaction that the Railways would be exceeding the original targets of the XI Five Year Plan for New Lines and Electrification. Against the XI Plan targets of 2000 km New Lines and 3500 km of Rail Electrification, the Railways are expecting to complete 2771 km New Lines and 4416 km of Rail Electrification. However, they are constrained to observe that during the mid-term review by the Planning Commission, the targets for Doubling and Gauge Conversion

have been revised downward. Against the original targets of 6000 km for Doubling and 10000 km for Gauge Conversion, the targets have been reduced drastically to 2500 km and 6000 km., respectively. The plea given by the Ministry that the achievements would still be 150% to 200% more than the achievements in the previous plan (X Plan) period is untenable as targets are fixed keeping in view the requirements of certain projects; as such, comparing under-achievements of the XI Plan with the achievements of the previous Plan is unacceptable. The reasons adduced by the Ministry for the downward revision of the above said targets like delays in land acquisition and forestry clearance, contractual delays due to unprecedented increase in price of steel, adverse law and order condition in certain areas, etc., are unconvincing. The Committee, therefore, strongly desire that the Ministry should seriously strengthen their monitoring mechanism, identify the factors actually responsible for the slow execution of projects and take immediate corrective steps to avoid any such future delays.

8. The Committee note that another reason for the downward revision of the targets in respect of doubling and gauge conversion is the wide gap between the availability and requirement of funds for the execution of the projects. The Committee would like the Ministry to formulate concrete plans for important projects and accordingly place their demands in a more convincing manner so that such top priority projects are not starved of funds and get adequate allocations at the BE/RE stage.

9. The Committee are informed that gauge conversion in Railways started in the year 1993-94 and till date all routes with the sole exception of 8,000 kms, have been converted. Out of the same, about 2,500 kms. are hill Railways and narrow gauge lines. The rest of all the routes has been sanctioned and the work is in progress in sections. In some places, the terrain is difficult and the returns are not very good. It will take almost three to four years' time to cover all the routes. The Committee are concerned to find that though the work for gauge conversion started way back in 1993-94, there are still 8000 km. left for gauge conversion. They, therefore, recommend that the Ministry should pay special attention to the work of gauge conversion in the left over 8000 kms, including areas which are either hilly and where returns are not good due to difficult terrain as it is of crucial importance for people residing in those areas.

Rolling Stock

10. The Committee regret to note that during the mid-term appraisal of the XI Five Year Plan, there is a downward revision in the targets for coaches and diesel as well as electric locomotives. The original XI Five Year Plan targets of 22500 coaches, 1800 diesel locomotives and 1800 electric locomotives have been revised downward sharply to 18550 coaches, 1379 diesel locomotives and 1205 electric locomotives. Further, the likely achievement in respect of coaches is 17234 coaches, *i.e.* 1316 coaches less than the already reduced target of 18550 coaches. The Committee are dismayed by the justification proffered by the

Ministry that though the targets have been reduced, the achievements would be nearly double of that achieved during the previous Plan period. This justification is not sustainable under any circumstances and such an approach defeats the very purpose of budgeting. The Committee trust that in future the Ministry will avoid such an approach so that the very purpose of the budgeting exercise is well served.

11. The reason advanced by the Ministry for the downward revision is the gestation time for new diesel and electric locomotives. The Committee fail to understand why the gestation period was not taken into consideration while fixing the targets. The Committee consider such downsizing of Plan targets as unacceptable and, therefore, strongly recommend that while fixing targets, all the factors affecting the achievement of targets should be factored in well in advance so as to avoid downward revision of the physical targets subsequently.

12. The Committee are aware that there are shortage of coaches in Railways and many coaches are due for overhauling/replacement. They further note to their dismay that no specific reason has been mentioned by the Ministry for shortfall of targets in respect of coaches. They would like to apprise of the same and also of the strategy adopted by the Ministry to overcome the existing problem of shortage of coaches in order to improve the efficiency of the rail services and for the safety of passengers.

Gross Traffic Receipt

13. The Committee note with concern that since the first year of the XI

Five Year Plan, *i.e.* 2007-08, there has been a continuous trend of shortfall in the Gross Traffic Receipt of the Indian Railways. During 2007-08, 2008-09 and 2009-10, the Gross Traffic Receipts were short of the R.E. target by Rs.1035 crore, Rs.2531 crore and Rs.1392 crore, respectively. The Committee take a serious note of the shortfalls in Gross Traffic Receipts and apprehend that this trend may continue in 2010-11 and 2011-12 as well.

14. The reasons identified for the shortfall in Gross Traffic Receipts in 2007-08 is lesser growth of 3.2% in number of passenger originating as against 5.6% envisaged in R.E. and the lesser yield per million tonne of freight traffic attributable to the rationalization of freight structure and change in commodity-mix. Further, the recessionary trend in the economy noticed in the latter part of 2008-09 impacted the traffic movement of the Railways. Consequently, freight loading for the fiscal at 833 million tonnes fell short of the R.E. target by 17 million tonnes and this, coupled with lower passenger throughput due to drop in average lead, lower parcel earnings and non-realization of traffic outstanding, resulted in lesser earnings. In 2009-10, there was less growth in non-suburban passenger segment than the target of 9%, which impacted the overall yield of passenger traffic and consequently the passenger earnings. The Railways also could not achieve the revised freight loading target of 890 million tonnes, falling short by 2 million tonnes. These factors, coupled with an accretion of Rs. 141 crore to traffic outstandings as against a clearance of Rs. 75 crore envisaged in R.E., resulted in a shortfall of Rs. 1392 crore in Gross Traffic Receipts.

15. The Committee have been apprised about the steps taken to improve the freight and passenger services affecting the Gross Traffic Receipts, viz. improved freight incentive policies, freight marketing of select commodities by third parties, liberalized wagon investment scheme, time tabled parcel trains and introduction of refrigerated parcel vans. Further, in order to improve passenger services, several steps are being taken, including the introduction of new trains, increase in frequency of trains, augmenting carrying capacity of trains by adding coaches, introduction of non-stop train service by the name of “Duronto”, introduction of low priced fast train services by the name of “Yuva” for the youth and low income group, introduction of “ladies only” EMU train, launch of Clean Train Station Scheme and On Board House Keeping Service, provision of cushioned seats in unreserved coaches, etc. However, keeping in view the shortfall during the past years, the Committee observe that the steps so far taken by the Railways to raise the Gross Traffic Receipts have not been adequate. They strongly feel that this is an area which warrants the Ministry’s serious consideration and appropriate ways and means should be worked out to increase the number of originating passenger traffic and higher yield of freight traffic with a view to curbing the recurring shortfalls in Gross Traffic Receipts. The Committee hope that the with such sincere and concerted efforts, the Railways would optimally achieve the target of Rs. 106239 crore fixed for the year 2011-12 for Gross Traffic Receipts.

Passenger Earnings

16. The Committee express their deep concern over the shortfall in the achievement of targets for passenger earnings of the Indian Railways. During 2007-08, 2008-09 and 2009-10, passenger earnings were short of the targets by Rs.231 crore, Rs.399 crore and Rs.569 crore, respectively. This reflects poorly on the efforts of the Ministry to augment the passenger traffic. The shortfalls have been attributed to the lesser growth in the number of originating passengers, drop in lead and yield of traffic. The Committee fail to appreciate the drop in yield factor because of the cancellation and short termination/diversion of trains due to unforeseen circumstances like fog/floods/bandhs/ agitations, etc. as in their opinion, these factors should have been taken into account while fixing the targets. The Committee are afraid that the Ministry would not achieve their targets even in 2010-11 and are, therefore, constrained to recommend that the Railways should thoroughly investigate the reasons for the shortfall of originating passengers and take corrective measures with a view to ensuring achievement of target of Rs. 30456 crore fixed for passenger earnings during the last year of the XI Plan, *i.e.* 2011-12. The Committee would like to be apprised of the specific steps taken in this regard.

Annual Plan 2011-12

Budget Grant

17. The Committee observe that the setting up of several rail based industries, infrastructure expansion through construction of new lines,

doubling and metropolitan transport projects are the major thrust areas during 2011-12. With this end in view, the Ministry of Railways have fixed the Annual Plan for 2011-12 at Rs.57,630 crore which is higher than the Budget Estimates of 2010-11 by Rs.16,204 crore. As is clear from the foregoing, the Budget provision for 2011-12 has been made on the basis of the availability of resources and the requirement of the Railways and no projects/activities are proposed to be shelved for want of funds. The Committee hope that the Ministry will take timely and appropriate measures to ensure that their important projects will not lag behind in achieving the targets.

New Lines Construction

18. The Committee observe that as outlined in “Vision 2020”, a target had been fixed to construct 25000 Route Kilometers of new lines in the next ten years. However, they are constrained to note that during 2010-11, out of the target of 1000 Route Kilometers of new lines construction, the Railways could complete only 709 Route Kilometers of new lines. Surprisingly, the Ministry have submitted that though they completed only 709 km of new line constructions in 2010-11, this is almost four times the average progress of 180 km per year achieved since Independence and almost double of the highest ever performance in one year. In this context, the Committee would like to suggest to the Ministry to maintain the sanctity of the budgetary process and analyse all the factors responsible for the shortfall in the targets during 2010-11, rather than comparing their work with the work completed in the past. The

thrust assigned to new line construction in the current financial year bestows greater responsibility on the Ministry, especially when funds to the tune of Rs. 9584 crore, which is 69% higher than the previous year's allocation, have been provided for the project. The Committee, therefore, urge the Ministry to show greater urgency on the completion of the work so that there would not be any downward revision of the targets set at BE stage for new lines construction and the target of 1075 Route Kilometers of new lines for the financial year 2011-12 is achieved. At the same time, the Committee are of the opinion that in order to realise "Vision 2020", the target of 1075 Route Kms of new lines construction is too short and hence the same should be revised upward suitably at the RE stage.

Gauge Conversion

19. The Committee note that an allocation of Rs.2552 crore was made at RE stage for 837 kms of gauge conversions(actual achievement). They further note to their surprise that only Rs. 2776 crore (Rs. 224 crore more than previous year's allocation) has been made for a target of 1017 km. of gauge conversion (180 km. more than the previous year's target) at the BE stage. The Committee are not convinced with the statement made by the Ministry that additional funds required for the targeted projects will be taken care of at the revised budget estimate stage or through re-appropriation. The Committee consider it to be a bad budgeting practice and desire that the Ministry should be more realistic while preparing/projecting its estimates.

Doubling

20. The Committee note that doubling is one of the thrust areas during the year 2011-12 and a higher allocation of Rs.5418 crore has been made which is around 146% higher than the allocation in the previous year for executing 867 km for doubling of rail lines as well as for progressing other doubling projects which are not targeted for completion during 2011-12 but will get completed in the coming year. Further, there are stated to be 163 doubling projects as on 01.04.2011 covering a length of more than 8300 km which are under various stages of execution. As doubling is stated to be very important in enhancing throughput capacity for taking care of increased traffic due to the projected high growth in the economy in the coming years, the Committee recommend that the physical and financial targets fixed for doubling projects should be strictly adhered to.

Rolling stock capacity augmentation

21. The Committee are concerned to note that during 2010-11, the targets of 18000 wagons, 4621 coaches and 530 locomotives had been revised downward to 14500 wagons, 3700 coaches and 515 locomotives. The reason for the underachievement put forward by the Ministry that while the output of the Railways' own production units was as per the targets, production by those units under the public/private sectors was less than the anticipated level, is not acceptable to the Committee as the Ministry themselves say that the wagon manufacturing Public Sector

Units already stand referred to the BIFR. However, it is also stated that except one PSU wagon builder, all other PSU wagon builders have now been taken over by the Railways and most of them are already marching on the path of revival. As regards the private units, except one unit, all other units have shown remarkable improvement in performance. The single unit that has performed badly was solely due to its own internal management problems.

22. The Committee note that during 2010-11, the total of 16638 wagons, 3649 coaches and 527 locomotives was fixed with the financial allocation of Rs. 13088 crore. During 2011-12, a much higher target of 18000 wagons, 3780 coaches and 580 locos have been fixed with an allocation of Rs. 14120 crore which is just Rs.1032 crore higher than the previous year's revised allocation of Rs. 13088 crore. The reason adduced by the Ministry for lesser allocation during 2011-12 is that the availability and expenditure of funds on manufacturing of rolling stock in the first half of the financial year will be observed and suitable enhancement/curtailment with reference to the physical progress will be done at the RE stage and additional funds, if required, will be made available at the RE stage to comply with the physical targets. The Committee do not find this convincing and are of the view that this defeats the very purpose of planning. The Committee desire that while preparing budgetary estimates, original targets should be kept in view to maintain the sanctity of the Plan at all costs as these are the goals set to make the best rail services available to the masses.

BRIDGE WORKS

23. The Committee note with regret that during 2010-11, the target for rebuilding/rehabilitation/strengthening of 1347 number of bridges was reduced to 1050 number of bridges as the outlay for the project was reduced from Rs. 408 crore to Rs.317.5 crore, more so because the Railways had asked for an allocation of Rs. 461.7crore at the RE stage. The Committee, however, appreciate the performance of the Railways as they exceeded the reduced target of 1050 bridges and went on to complete the work of 1197 bridges. The Committee are aware that the number of bridges due for repair/rehabilitation is considerably higher than the target fixed for a single year and they are deeply anguished to note the reduced allocation even for the targeted bridges. Keeping in view the safety aspect, the Committee recommend that the Ministry should take up the matter of allocation of more funds for rebuilding/rehabilitation/strengthening of bridges with the Planning Commission in future and ensure that adequate financial allocation is made for the purpose. The Committee would further like to be apprised of the number of distressed bridges as on date, due for rehabilitation.

Signalling & Telecommunication Works

24. The Committee note with distress that while Rs. 1124.00 crore was allocated for Signalling & Telecom in Railways during 2010-11, it was reduced to Rs. 915.00 crore at RE stage; during 2011-12 BE, Rs. 1102.00 crore has been kept which is less than the BE of the previous year by Rs. 22 crore. As stated, the reduced budget in 2010-11 would affect the

achievement with respect to replacement works, track circuiting, LED Signals and Automatic Block signaling. The allotment of funds in the current financial year is also stated to be inadequate to complete these works expeditiously. The Committee have been apprised that targets are kept, commensurate with the budget allocation. It needs reiteration that Signalling & Telecom works in Railways play a major role in reliable, faster and safer operation of trains. The Committee strongly feel that reduction in the annual Plan allocation would put the priorities of the Ministry out of gear which could lead to non-achievement of the Plan targets. They, therefore, recommend that the annual Plan allocation for Signaling and Telecom for 2011-12 be stepped up at the RE stage and the size of the Plan should be maintained at least at the previous level of Rs.1124 crore.

25. The Committee have been informed that in order to solve the existing problem of fund constraints, the Railways are striving to generate adequate resources to finance Plan investment by ways of better asset utilization, reduction in working expenses and innovative measures to attract investment through public private participation. Besides, special railway safety funds may have to be arranged. The Committee would like to be apprised of the steps being taken by the Ministry to address the issue of fund constraints.

Train Collision Avoidance System(TCAS)

26. The Committee have been apprised that the trials with the improved version of ACD, *i.e.* Train Collision Avoidance System (TCAS),

have met with success and will be commissioned on three Zonal Railways, viz. Southern, South Central and South Western Railways. The Committee note that during the year 2011-12, the works of TCAS have been sanctioned in four Railways, viz. Eastern Railway, East Coast Railway, East Central Railway and South Eastern Railway and an allotment of Rs. 28 crore has been made, including TCAS works in Southern, South Central and South Western Railways. They are, however, constrained to note that though the trials with modified ACD on electrified multiple lines and automatic signaling sections on the Southern Railways were completed in June 2010, the trial results are still under evaluation. The Committee are not satisfied with the pace of implementation of the TCAS. As the project is of crucial importance for the safety of passengers, the Committee impress upon the Ministry to strive towards the speedy implementation of TCAS in all the seven Zonal Railways within the prescribed time frame without any failure.

27. The Committee are informed that in order to cover the entire Indian Railways system with TCAS, multiple vendors will have to be developed in order to expedite the work and to provide long-term maintenance support. The Committee trust that Railways will take immediate steps in this direction. They further learn that Railways have prepared an action plan to provide On Board Train Protection/collision prevention systems by 2020 covering BG Routes of the Indian Railways. The Committee recommend that the Ministry should prioritise the implementation of TCAS project in all the 17 Zonal Railways and keep them apprised of the progress made on this count.

Railway Research

28. The Committee note with regret that while the financial allocation for Railway Research during 2007-08, 2008-09, 2009-10 and 2010-11 had been Rs. 60 crore, Rs. 62 crore, Rs. 61 crore and Rs. 78 crore, respectively, the same had been revised drastically downward to Rs. 21.11 crore, Rs. 25.64 crore, Rs. 42.07 crore and Rs. 41.91 crore, respectively. The Committee further note to their dismay that the actual expenditure was even lesser than the revised allocation during 2007-08 and 2008-09 at Rs. 19.79 crore, Rs. 23.77 crore and more or less at the same level during 2009-10 and 2010-12 at Rs. 43.57 crore and Rs. 42 crore.

29. Surprisingly, no specific targets have been kept in the mid-term appraisal of the XI Five Year Plan for Railway Research. As submitted, the Ministry have made all reasonable efforts to achieve the physical and financial targets. The progress of projects is periodically reviewed at various levels, including at the level of Director General/RDSO and Railway Board. However, the downward revision of allocation and the even lower actual expenditure tell a different story in terms of Railway Research which is a very crucial area for the Indian Railways system. That being so, the Committee recommend that the Ministry should lay more emphasis on Railway Research and the proposed plan of action to expend Rs. 71 crore in the year 2011-12, should be actualized.

30. The Committee understand that a Memorandum of Understanding (MoU) has been signed with IIT, Kharagpur, for setting up a "Centre for

Railway Research” at Kharagpur for research in key areas of railway technology, which will facilitate indigenous research and development of cutting-edge technology along with the RDSO. The Committee would like to be apprised of the relevant details of the said Memorandum. They would further like to be apprised of the plan of action in this regard.

31. The Committee learn that a committee of senior railway officers constituted to review and revamp the working of the RDSO had brought out various factors affecting the Research and Development work at RDSO and had proposed some organisational changes at RDSO, besides suggesting some changes in the Vendor approval work at RDSO. The Committee would like to be apprised of the progress made in respect of the implementation of the findings of the said committee.

Passenger Amenities

32. The Committee are not satisfied at the slow progress with regard to the completion of targeted model stations, modern (touch & feel) stations, Adarsh Stations, world class stations and Multi Functional Complexes (MFCs) during the last 2 years. As against the target of 221 model stations, 211 modern (touch & feel) stations, 464 Adarsh Stations, and 17 Multi Functional Complexes (MFCs), only 135, 134, 400 and 10, respectively, could be completed. Thus, there has been a shortfall of 86 model stations, 77 modern (touch & feel) stations, 64 Adarsh Stations, and 7 Multi Functional Complexes (MFCs). As regards the shortfalls, the Ministry are stated to have asked the Zonal Railways to initiate necessary action and plan accordingly for achieving the targets. Further,

the Committee have been informed that the progress of the schemes are monitored at various levels to ensure the targets. The Committee feel that the efforts made by the Ministry are not adequate when the major shortfalls are taken into consideration. The Committee, therefore, desire the Ministry to make serious efforts for energizing and strengthening its executive and monitoring wings and apprise them of the specific steps being taken to accomplish the targets expeditiously.

33. The Committee further note that the target of 88 model stations, 77 modern (touch & feel) stations, 302 Adarsh Stations, 2 world class stations and 49 Multi Functional Complexes (MFCs) had been fixed for the year 2011-12. The Committee would like to be informed whether the targets fixed for 2011-12 include the spill-over of the targets of the previous two years also and recommend that the Ministry should take all measures to ensure that the targets fixed for the year 2011-12 are achieved without any shortfall.

34. It is pertinent to mention here that the Hon'ble Minister of Railways, in her Budget Speech, had mentioned that in the last two years there had been an announcement to upgrade 584 stations as Adarsh Stations, out of which 442 stations would be completed by March, 2011 and the remaining would be completed in 2011-12. However, as per information recorded above, the achievement in respect of Adarsh Station is only 400. The Hon'ble Minister of Railways further mentioned that out of the 160 MFCs announced, a few had been completed and a few were in the process of completion. A special target had been given to complete all the MFCs in the subsequent year. However, as per

information recorded above, only 7 MFCs could be completed as against the targeted 17 MFCs. Further, a target to complete 49 MFCs is fixed for the current year. The Committee would like to be apprised of the correct position in this regard.

Augmentation of Train Services

35. The Committee are unhappy to note that as against the announcement to augment 124 train services during 2010-11, only 109 train services could be started by 31 March 2011. The remaining 15 train services could not be started owing to various constraints like non-availability of rolling stock, non-completion of gauge conversion works as also non-receipt of necessary clearance from the Commissioner of Railway Safety (in case of newly opened and gauge converted sections). The Committee desire that the above mentioned constraints should be addressed expeditiously and the remaining train services, as promised to the masses, should be started at the earliest.

Metropolitan Transport Projects

36. The Committee learn that an amount of Rs. 6502 crore has been allocated for Metropolitan Metro Projects during the year 2011-12, which is 1034% higher than the previous year's Revised Estimates of Rs. 573 crore for the said projects. Such substantial increase is for four works of Metro Railway, Kolkata, which were sanctioned in the year 2010-11. The Committee have been informed that the works proposed to be carried out during the year 2011-12 are Design of Works, civil works pertaining

to Construction of Metro Railway and other associated works like utility diversions, diversion of roads, land acquisition, etc. The execution of Metro projects is dependent on many aspects like timely acquisition of land, clearances from various State/Central Government Agencies, shifting of utilities etc. Further monitoring of the progress will be done by a Core Committee of the Railway Board in order to optimally achieve the targets. The Committee would like to be assured that the work would get focused attention and with effective monitoring, the financial and physical targets would be fully achieved.

MULTI-PURPOSE SMART CARDS

37. The Committee welcome the proposal of the Ministry to launch the “Go-India” smart card as per the announcement made by Hon’ble Minister of Railways in her Budget Speech. The Committee have been apprised that it will be launched in collaboration with Public Sector Banks as per the regulations of RBI/CGA. For this, an Expression of Interest (EOI) is proposed to be called for implementation of the project on the Delhi-Mumbai sector on a pilot basis. The Smart Card will be used to dispense reserved/unreserved tickets and booking of retiring rooms through the use of Automatic Ticket Vending Machines (ATVMs), Validators, etc., thereby obviating the need for passengers going to the counters. The Committee trust that the Ministry of Railways will take suitable steps to accomplish the project expeditiously and keep the Committee apprised of the progress of the same.

CENTRAL ORGANIZATION FOR PROJECT IMPLEMENTATION (COPI)

38. The Committee observe that the Hon'ble Minister of Railways, in the Budget Speech 2011-12, had announced a proposal to set up a Central Organization for Project Implementation(COPI) with offices in Delhi, Kolkata, Mumbai and Bangalore, each headed by an officer of the rank of GM. The Committee would like to be apprised of the details of COPI along with its coordination mechanism as soon as such details are finalized.

Railway Tracking System

39. The Committee learn that the work of the Real-time Train Information System, based on the pilot project on tracking mail/express trains, carried out with IIT, Kanpur, has been sanctioned at a cost of Rs. 110 crore in the Railway Budget for 2011-12, and the detailed estimate of the work is under process. Finer details on interfacing the system with the existing I.T. system of the Indian Railways are also being worked out separately. The Committee urge the Ministry to take immediate steps in the matter and keep the Committee apprised of the progress made.

NEW DELHI;
4 August, 2011
13 Shravana , 1933 (Saka)

T.R. BAALU
Chairman,
Standing Committee on Railways

APPENDIX

MINUTES OF THE EIGHTH SITTING OF THE STANDING COMMITTEE ON RAILWAYS (2010-11)

The Committee sat on Thursday, the 3rd March, 2011 from 1500 hrs. to 1545 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

SHRI T.M. SELVAGANAPATHI - IN THE CHAIR

MEMBERS

LOK SABHA

2. Shri Khiladi Lal Bairwa
3. Shri Pralhad Joshi
4. Dr. Nirmal Khatri
5. Dr. (Smt.) Botcha Jhansi Lakshmi
6. Shri Anand Prakash Paranjpe
7. Smt. Satabdi Roy
8. Smt. Yashodhara Raje Scindia
9. Shri Gopal Singh Shekhawat
10. Chaudhary Lal Singh
11. Shri Lalji Tandon

RAJYA SABHA

12. Shri Om Prakash Mathur
13. Shri Ambeth Rajan

SECRETARIAT

- | | | | |
|----|-----------------------|---|---------------------|
| 1. | Shri K. Vijaykrishnan | - | Joint Secretary |
| 2. | Shri Abhijit Kumar | - | Director |
| 3. | Shri Arun K. Kaushik | - | Additional Director |

REPRESENTATIVES OF THE MINISTRY OF RAILWAYS (RAILWAY BOARD)

1. Shri Sudesh Kumar Member Electrical, Railway Board &
Ex.-officio Secretary to the Govt. of India
2. Shri V.N. Tripathi Member Staff, Railway Board, &
Ex.-officio Secretary to the Govt. of India.

2. In the absence of the Chairman, the Committee chose Shri T.M. Selvaganapathi to act as Chairman for the sitting under Rule 258(3) of the 'Rules of Procedure and Conduct of Business in Lok Sabha'. The acting Chairman welcomed the members and representatives of the Ministry of Railways (Railway Board) to the sitting of the Committee.

3. Thereafter, the representatives of the Ministry of Railways (Railway Board) briefed the Committee on 'Demands for Grants – 2011-12 of the Ministry of Railways' and replies to the queries of the members. The meeting remained inconclusive.

4. A verbatim record of the proceedings has been kept.

The witnesses, then, withdrew.

The Committee then adjourned.

**MINUTES OF THE NINTH SITTING OF THE
STANDING COMMITTEE ON RAILWAYS (2010-11)**

The Committee sat on Monday, the 7th March, 2011 from 0930 hrs. to 1045 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

SHRI T.M. SELVAGANAPATHI - IN THE CHAIR

MEMBERS

LOK SABHA

1. Shri Khiladi Lal Bairwa
2. Dr. Ram Chandra Dome
3. Shri Pralhad Joshi
4. Dr. Nirmal Khatri
5. Dr. (Smt.) Botcha Jhansi Lakshmi
6. Shri Anand Prakash Paranjpe
7. Shri Somabhai G. Koli Patel
8. Shri Rudramadhab Ray
9. Chaudhary Lal Singh

RAJYA SABHA

10. Smt. Kusum Rai

SECRETARIAT

- | | | | |
|----|-----------------------|---|---------------------|
| 1. | Shri K. Vijaykrishnan | - | Joint Secretary |
| 2. | Shri Abhijit Kumar | - | Director |
| 3. | Shri Arun K. Kaushik | - | Additional Director |

REPRESENTATIVES OF THE MINISTRY OF RAILWAYS (RAILWAY BOARD)

1. Shri Vivek Sahai Chairman, Railway Board & Ex-officio Principal Secretary to the Govt. of India.
2. Shri Samar Jha Financial Commissioner, Railways & Ex-officio Secretary to the Govt. of India.
3. Shri A.P. Mishra Member Engineering, Railway Board, & Ex-officio Secretary to the Govt. of India.
4. Shri Sanjiv Handa Member Mechanical, Railway Board, & Ex-officio Secretary to the Govt. of India
5. Shri Sudesh Kumar Member Electrical, Railway Board & Ex-officio Secretary to the Govt. of India
6. Shri V.N. Tripathi Member Staff, Railway Board, & Ex-officio Secretary to the Govt. of India.

2. In the absence of the Chairman, the Committee chose Shri T.M. Selvaganapathi to act as Chairman under Rule 258(3) of the 'Rules of Procedure and Conduct of Business in Lok Sabha'. The acting Chairman welcomed the members and representatives of the Ministry of Railways (Railway Board) to the sitting of the Committee. Thereafter, the Committee took oral evidence of the representatives of the Ministry of Railways (Railway Board) on 'Demands for Grants -2011-12 of the Ministry of Railways'. The evidence remained inconclusive.

3. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

**MINUTES OF THE TENTH SITTING OF THE
STANDING COMMITTEE ON RAILWAYS (2010-11)**

The Committee sat on Friday, the 29th April, 2011 from 1100 hrs. to 1300 hrs.
in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

SHRI T.R. BAALU - CHAIRMAN

MEMBERS

LOK SABHA

1. Shri Khiladi Lal Bairwa
2. Shri Pralhad Joshi
3. Shri K. Bapiraju
4. Dr. Nirmal Khatri
5. Dr. (Smt.) Botcha Jhansi Lakshmi
6. Shri Anand Prakash Paranjpe
7. Shri Somabhai G. Koli Patel
8. Smt. Yashodhara Raje Scindia
9. Shri Gopal Singh Shekhawat
10. Chaudhary Lal Singh
11. Shri Umashankar Singh
12. Shri Lalji Tandon

RAJYA SABHA

13. Shri Nandi Yellaiah
14. Smt. Kusum Rai
15. Shri Tarini Kanta Roy
16. Shri Ishwar Singh

SECRETARIAT

- | | | | |
|----|-----------------------|---|---------------------|
| 1. | Shri K. Vijaykrishnan | - | Joint Secretary |
| 2. | Shri Abhijit Kumar | - | Director |
| 3. | Shri Arun K. Kaushik | - | Additional Director |

REPRESENTATIVES OF THE MINISTRY OF RAILWAYS (RAILWAY BOARD)

1. Shri Vivek Sahai Chairman, Railway Board & Ex-officio Principal Secretary to the Govt. of India.
2. Ms. Pompa Babbar Financial Commissioner, Railways & Ex-officio Secretary to the Govt. of India.
3. Shri Sanjiv Handa Member Mechanical, Railway Board, & Ex-officio Secretary to the Govt. of India
4. Shri Sudesh Kumar Member Electrical, Railway Board & Ex-officio Secretary to the Govt. of India
5. Shri V.N. Tripathi Member Staff, Railway Board, & Ex-officio Secretary to the Govt. of India.

2. At the outset, the Chairman welcomed the members and representatives of the Ministry of Railways (Railway Board) to the sitting of the Committee.

3. Thereafter, the Chairman and the Members of the Committee sought certain clarifications on the points related to 'Demands for Grants -2011-12 of the Ministry of Railways' from the representatives of the Ministry of Railways (Railway Board). The representatives of the Ministry replied to the queries of the Members. The evidence was concluded.

4. The Committee, then decided to undertake a study tour in last week of May, 2011 to Ahmedabad, Bangalore, Mysore and Goa in connection with the examination of the subject selected by the Committee, viz. 'New Catering Policy – 2010 of Indian Railways'.

5. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

**MINUTES OF THE TWELFTH SITTING OF THE
STANDING COMMITTEE ON RAILWAYS (2010-11)**

The Committee sat on Friday, the 17th June, 2011 from 1100 hrs. to 1145 hrs.
in Committee Room No. '53', Parliament House, New Delhi.

PRESENT

SHRI T.R. BAALU - CHAIRMAN

MEMBERS

LOK SABHA

2. Dr. Ram Chandra Dome
3. Shri Pralhad Joshi
4. Shri K. Bapiraju
5. Dr. Nirmal Khatri
6. Dr. (Smt.) Botcha Jhansi Lakshmi
7. Shri Somabhai G. Koli Patel
8. Shri Rudramadhab Ray
9. Shri Gopal Singh Shekhawat
10. Shri Umashankar Singh

RAJYA SABHA

11. Shri K.E. Ismail
12. Shri Nandi Yellaiah
13. Smt. Kusum Rai
14. Shri Ambeth Rajan
15. Shri Ishwar Singh
16. Ms. Sushila Tiriya

SECRETARIAT

- | | | | |
|----|------------------------|---|---------------------|
| 1. | Shri K. Vijayakrishnan | - | Joint Secretary |
| 2. | Shri Arun K. Kaushik | - | Additional Director |

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. Thereafter, the Committee considered the draft Report on Demands for Grants of the Ministry of Railways for the year 2011-12 and adopted the same.

3. The Committee also authorized the Chairman to finalise the Report and present the same to Parliament.

The Committee then adjourned.
