20

STANDING COMMITTEE ON RAILWAYS
(2012-13)
FIFTEENTH LOK SABHA

MINISTRY OF RAILWAYS
(RAILWAY BOARD)

DEMANDS FOR GRANTS
(2013-14)

TWENTIETH REPORT

LOK SABHA SECRETARIAT
NEW DELHI

April, 2013/ Vaisakha, 1935 (Saka)

SCR NO.: 180

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Presented to Lok Sabha on 22.04.2013

Laid in Rajya Sabha on 22.04.2013

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

April, 2013/ Vaisakha, 1935 (Saka)

CONTENTS

COMPOSITION OF THE STANDING COMMITTEE ON RAILWAYS (2012-13)

Shri T. R. Baalu - Chairman

MEMBERS

LOK SABHA

2. Shri Partap Singh Bajwa
3. Dr. Ram Chandra Dome
4. Smt. Maneka Gandhi
5. Shri Pralhad Joshi
6. Shri Bhaskar Rao Patil Khatgonkar
7. Dr. Nirmal Khatri
8. Shri Surendra Singh Nagar
9. Shri Devender Nagpal
10. Shri Anand Prakash Paranjpe
11. Shri Rayapati Sambasiva Rao
12. Shri Rudra Madhab Ray
13. Shri Magunta Sreenivasulu Reddy
14. Smt. Satabdi Roy
15. Smt. Yashodhara Raje Scindia
16. Shri Ganesh Singh
17. Shri Lal Ji Tandon
18. Shri Ashok Tanwar
19. Shri Harsh Vardhan
20. Dr. Vivekanand
21. Smt. Dimple Yadav

RAJYA SABHA

22. Shri Husain Dalwai
23. Shri Prabhat Jha
24. Shri Om Prakash Mathur
25. Dr. Barun Mukherji
26. Shri K. Parasaran
27. Shri Ambeth Rajan
28. Shri Tarini Kanta Roy
29. Shri Bashistha Narain Singh
30. Shri Ishwar Singh
31. Shri Nandi Yellaiah

LOK SABHA SECRETARIAT

1.	Shri K. Vijayakrishnan	-	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 (2012-13), having been authorised by the Committee to present the Report on their behalf, present this Twentieth Report of the Standing Committee on Railways on 'Demands for Grants - 2013-14 of the Ministry of Railways'.

2. The Committee took evidence of the representatives of the Ministry of Railways (Railway Board) on 21.03.2013 and 05.04.2013.

3. The Committee considered and adopted the Report at their sitting held on 17.04.2013. 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 – 2013-14. 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;
17 April, 2013
27 Vaisakha, 1935 (Saka)

T.R. BAALU
Chairman,
Standing Committee on Railways

PART –I

REPORT

CHAPTER – I

IMPLEMENTATION OF THE COMMITTEE'S RECOMMENDATIONS

The 14th Report of the Standing Committee on Railways on 'Demands for Grants – 2012-13 of the Ministry of Railways' was presented to the Lok Sabha on 25.04.2012. The Report contained 33 recommendations/observations.

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 14th Report. Accordingly, the Minister of Railways made a statement in the House on 6.9.2012 giving the status of implementation of various recommendations/observations made by the Committee in their 14th Report.

3 Action Taken Replies in respect of the above Report were received from the Ministry of Railways on 06.08.2012. 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 17.04.2013. The Committee, in their 17th Report, have commented on the Action Taken Replies furnished by the Ministry in respect of the recommendations contained at Sl. Nos. 2, 3, 13, 14, 19, 23, 29 and 33. Twenty-two recommendations/observations (Sl. Nos. 1, 2, 3, 6, 7, 8, 9, 10, 13, 14, 17, 18, 20, 21, 24, 26, 27, 28, 29, 30, 31 and 32) were accepted by the Ministry. The Committee did not desire to pursue in view of the reply furnished by the Ministry in respect of 8 recommendations/observations(Sl. No. 4, 5, 11, 12, 15, 16, 22 and 25). Recommendations/observations at Sl. Nos. 19, 23 an 33 were reiterated by the Committee as the replies of the Ministry thereon were not found satisfactory. There was no recommendation/observation on which final reply was awaited.

CHAPTER – II

INTRODUCTORY

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 wing, *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 Railway is the world's largest government railway. The Railway function as a vertically integrated organization providing Passenger and Freight services. It is a single system which consists of 64,600 route kms of track that criss-cross the country, on which more than 19,710 number of trains ply, carrying about 23 million passengers and hauling nearly 2.67 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 a myriad 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. Indian Railway, 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, 1924, a separate Budget is presented since then for the Railways showing the estimated receipts and expenditure in respect of every financial year. Though the Railway Budget is separately presented to Parliament, the figures related to the receipt and expenditure of the Railways are also shown in the General Budget since the receipt and expenditure of the Railways are a part and parcel of the total receipts and expenditure of the Government of India. The Railway Budget for the year 2013-14 was presented in the Parliament by the Minister of Railways on 26 February, 2013. An annual outlay of Rs.63,363 crore comprising Gross Budgetary Support of Rs. 26,000 crore, Road Safety Fund of Rs. 2,000 crore, internal resources of 14,260 crore, market borrowings of Rs. 15,103 crore and an expected mobilization of Rs. 6000 crore through PPP route has been proposed for the year 2013-14.

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, Railway Liability Reserve 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 other Miscellaneous receipts also 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 2013-14

9. The Budget at a Glance as given in the Explanatory Memorandum on the Railways Budget for 2013-14 is as follows:-

(Rupees in crore)

Actuals **2011-12**	**Budget 2012-13**	***Description***	**Revised 2012-13**	**Budget 2013-14**
104,110.36	**132552.00**	**1. Gross Traffic Receipts**	**125,680.00**	**143,742.00**
		2. Miscellaneous Receipts		
2,034.37	3003.89	(a) Subsidy from General Revenues towards dividend relief & other concessions	2,384.23	2,746.00
100.54	138.00	(b) Other Miscellaneous Receipts	138.00	138.00
2 2,134.91	**3141.89**	(c) **Total**	2,522.23	2,884.00
106,245.27	**135693.89**	**Mi** **3. Total Receipts** **R**	**128,202.23**	**146,626.00**
74,537.41	84400.00	4. Net Ordinary Working	84,400.00	96,500.00
17,610.00	18500.00	5. Ex Appropriation to Pension Fund	20,000.00	22,000.00
6,520.00	9500.00	6. Appropriation to Depreciation Reserve Fund	7,000.00	7,500.00
98,667.41	**112400.00**	**7. Total Working Expenses [4+5+6]**	**111,400.00**	**126,000.00**
		8. Miscellaneous Expenditure		
30.45	60.00	(a) O.L.W.R.	60.00	60.00
765.81	1000.82	(b) Other Miscellaneous Expenditure	993.32	1,170.00
796.26	**1060.82**	**(c) Total Miscellaneous Expenditure**	**1,053.32**	**1,230.00**
99,463.67	**113460.82**	**9. Total Expenditure [7+8]**	**112,453.32**	**127,230.00**
6,781.60	**22233.07**	**10. Net Revenue [3-9]**	**15,748.91**	**19,396.00**
5,656.03	**6676.07**	**11. Dividend Payable to General Revenues**	**5,339.78**	**6,249.20**
1,125.57	**15557.00**	**12. Excess/Shortfall [10-11]**	**10,409.13**	**13,146.80**

610.00	10557.00	13. Appropriation to Development Fund	9,984.00	3,550.00
515.57	5000.00	14. Appropriation to Capital Fund	425.13	5,433.80
		15. Appropriation to Railway Liability Reserve Fund		4,163.00
94.9%	**84.9%**	**16. Operating Ratio**	**88.8%**	**87.8%**
4.2%	**12.1%**	**17. Ratio of Net Revenue to Capital-at-Charge and investment from Capital Fund**	**8.6%**	**9.2%**

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 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 2013-14 are given in the following statement:-

(In thousands of rupees)

No. of Demand	**Name of Demand**	**Total Demand**	
		Voted	**Charged**
1.	Railway Board	254,01,00	..
2.	Miscellaneous Expenditure (General)	898,89,00	*2,11,00*
3.	General Superintendence and Services on Railways	5920,43,11	..

4.	Repairs and Maintenance of Permanent Way and Works	9477,84,28	*33,31*
5.	Repairs and Maintenance of Motive Power	4397,04,93	..
6.	Repairs and Maintenance of Carriages and Wagons	10233,23,60	*2,00*
7.	Repairs and Maintenance of Plant and Equipment	5450,04,21	...
8.	Operating Expenses – Rolling Stock and Equipment	8487,98,26	..
9.	Operating Expenses – Traffic	17173,95,14	..
10.	Operating Expenses – Fuel	26474,09,63	*13,76*
11.	Staff Welfare and Amenities	4816,68,70	---
12.	Miscellaneous Working Expenses	4889,00,76	*212,01,69*
13.	Provident Fund, Pension and Other Retirement Benefits	22626,47,26	*49,50*
14.	Appropriation to Funds	42661,80,00	..
15.	Dividend to General Revenues, Repayment of loans taken from General Revenues and Amortization of Over-Capitalization	6249,20,00	..
16.	Assets – Acquisition, Construction and Replacement		
	Revenue	60,00,00	..
	Other Expenditure		
	Capital	94618,75,78	*87,30,00*
	Railway Funds	16249,84,50	*3,50,50*
	Railway Safety Fund	1999,70,00	*30,00*
	Total	**282939,00,16**	***306,21,76***

It has been observed that during 2012-13, total receipt at RE stage has been revised downwards by Rs. 7491.66 crore from Rs. 135693.89 crore to Rs. 128,202.23 crore, total expenditure has been revised a little downward by Rs. 1007.5 crore from Rs.113460.82 crore to Rs. 112,453.32 crore. As a result, the net revenue has been revised downward by Rs. 6484.16 crore from BE of Rs. 22233.07crore to RE of Rs.

15,748.91 crore. The BE for net revenue during 2013-14 has been kept on a lower side at Rs. 19,396.00 crore.

11. When asked about the reasons for the expected decline in net revenue during 2012-13, it has been stated that the reasons are mainly the downward revision of earnings targets in passenger and goods segment by Rs 6867 crore partly due to roll back of passenger fare increase and in keeping with the trend of loading and earnings to end of December 2012. Besides, a likely increase in the pension expenditure by Rs. 1500 crore is also a contributory factor.

12. The Ministry further added that the downward revision of earnings in passenger segment has mainly been due to roll back of fare rationalization proposals made in Railway Budget 2012-13 coupled with shortfall in the targeted originating passenger booking from 8740.79 millions in Budget Estimates 2012-13 to 8640 millions in RE. Further, the downward revision of earnings in goods segment has been due to lesser growth in originating loading due to a slow down in offerings of commodities from core sector necessitating scaling down the overall loading target to 1007 million tonnes as against 1025 million tones envisaged in the Budget.

13. The Committee have observed that the target for total expenditure has been kept on a higher side at Rs.127,230.00 crore during 2013-14 as compared to Rs. 113460.82 crore during 2012-13 i.e. an increase of Rs. 13,769.18 crore. On being enquired about the reasons for the same, it has been stated that the revenue expenditure comprises Ordinary Working Expenses, appropriation to both Pension Fund and Depreciation Reserve Fund and miscellaneous expenditure. This has been increased to Rs.1,27,230 crore in BE 2013-14 from Rs.1,13,461 crore in BE 2012-13, representing a growth of 12.1 %. The increase has been provided primarily to cater to higher salaries, DA and other staff cost, fuel for traction, material procurement, contractual payments, lease payments, higher pension and safety related expenditure.

Eleventh Five Year Plan (Financial performance)

14. The Plan expenditure of the Ministry of Railways in years 2007-08, 2008-09, 2009-10, 2010-11 and for 2011-12 are as under:

(figures in Rs. Crore)

XI Plan	Approved	2007-08 (actual)	2008-09 (actual)	2009-10	2010-11	2011-12	Total Plan outlay
Gross Budgetary Support (GBS)	63635	8668	10110	17716	19485	21073	77039
Internal Resources	90000	14948	18941	12196	11528	9198	66704
Extra Budgetary Support (EBS)	79654	5364	7284	9760	9780	14790	48504
Total	233289	28980	36335	39672	40792	45061	190840

It is seen from above that the 11th Plan has fallen short of the target by Rs. 42,449 crore. Further, the major shortfall had been on account of the internal generation of resources and Extra Budgetary Resources.

15. When asked about reasons for the shortfall in internal generation of resources and extra budgetary resources, it has been stated that the internal resources of the Railways had been impacted in the 11th Plan due to extra burden of the 6th Central Pay Commission of over Rs. 70,000/- crore in the 11th Plan and also because of non-realisation of freight loading targets due to slow down in the growth of core sectors of the economy . Against original target of 1100 million ton, only 969 million ton freight loading could be done.

16. The major reason for shortfall in achieving original/ revised target of 11th Plan in freight segment was due to sharp drop in exports of iron ore, problems in mining of iron ore leading to inadequate domestic movement and poor growth in coal movement due to slowdown in coal production in the last two years of the Plan period. The growth rate of freight traffic is dependent on the growth in economy,

especially in the core sector like coal, steel and so on since Railways is primarily a bulk carrier of freight. Details of growth of railway freight loading and the Index of Industrial Production (IIP) indices for the core sector, on which the Railway freight loading is primarily dependent, during the 11th plan are as under:

Sl. No.	**Year**	**Core Sector growth in %age**	**Growth in Railway Freight loading**	
			In Million Tonnes	**In %**
1	2007-08	5.2	794.21	8.98
2	2008-09	2.8	833.31	4.92
3	2009-10	6.6	887.99	6.56
4	2010-11	6.6	921.51	3.77
5	2011-12	4.4	969.78	5.24

It is seen from above that in most of the core sector commodities, the loading by Railways has been higher or at par than the growth of the sector per se as reflected by the IIP figures.

17. To a suggestion made by the Committee that Railways instead of depending mainly on the freight business of the core sector should also look into the non-core sector so as to increase the freight traffic, the Ministry in a subsequent reply has stated that they have taken proactive steps to diversify into non-core sectors to increase the freight traffic as under:

(i) Container Traffic: In order to capture piecemeal traffic with help of containers, for increasing rail share of containerized traffic, to infuse competition in container movement by train and rapid development of infrastructure for containerized traffic, Ministry of Railways unveiled a policy to permit Private Container train operators to run container trains on Indian Railway in line with Container Corporation of India, an Public Sector Undertaking of Ministry of Railways, on 09.01.2006 and Gazette notification was published on 26.09.2006.

17 Container Train operators including CONCOR have been given license to operate container trains on Indian Railways. The Annual growth rate in container traffic after introduction of PPP policy is 15.8 percent.

(ii) Liberalized Wagon Investment Scheme (LWIS): LWIS allows investment by End users (viz. producers, manufacturers and consumers of goods) in Special Purpose Wagons (SPW) and High Capacity Wagons (HCW). The policy was issued on 15.04.2008.

With a view to make the scheme more liberal and customer-friendly, the Liberalized Wagon Investment Scheme (LWIS) has been reviewed and policy guidelines on Revised Liberalized Wagon Investment Scheme (LWIS) have been issued on 02.01.2012.

(iii) Automobile Freight Train Operator Scheme (AFTO): To increase Indian Railway's market share in transportation of automobile i.e. two/three-wheelers, cars and tractors etc. by inviting private participation, a new scheme namely Automobile Freight Train Operator Scheme AFTO has been issued on 19.07.2010.

(iv) Special Freight Train Operator Scheme (SFTO): To increase Rail share in the commodities like fertilizers, molasses, edible oil, caustic soda, chemicals, petrochemicals, alumina, bulk cement and fly ash etc., a new scheme namely Special Freight Train Operator Scheme (SFTO) has been launched, to attract private investment in special purpose wagons required for transportation of these commodities. Policy has been issued on 31.05.2010.

18. The Committee then asked about the reasons for the shortfall in the Extra Budgetary Resources(EBR). In reply, it has been stated that EBR have been impacted due to non-realisation of PPP project. Rs. 18000/- crore of debt for the Dedicated Freight Corridor (DFC) from bilateral and multilateral funding agencies were also

included in the EBR resource mobilisation target. This funding was tied up in 2010 & 2011 and the money would be drawn in the 12th Plan to fund construction contracts.

19. Asked about the precautionary measures taken to avoid shortfalls in targets during the 12th Plan, the Ministry has stated that the target during the 12th Plan for internal resource mobilisation is Rs.1,05,000/- crore and that of EBR is Rs.2,20,000/- crore (bonds – Rs.1,20,000/- crore & PPP – Rs.1,00,000/- crore). However, the actual realisation of internal generation would depend on the growth of core sectors of the economy. Fuel Adjustment Component (FAC) linked revision of freight tariff has been proposed to compensate for the fuel cost increase. Passenger fares have also been raised to cover some of the losses in the passenger segment. Close control over expenditure would also be exercised to enable higher internal generation. Procurement of rolling stock has been planned during the 12th Plan through Indian Railways Finance Corporation(IRFC) and the targets for raising funds through bonds would be met. The Public Private Partnership (PPP) options are also being actively explored in many areas as spelt out in the 12th Plan Document. A new Policy notified in December 2012 should help in generating private investment for rail connectivity projects.

Eleventh Five Year Plan (Physical performance)

20. The 11th Plan physical targets and achievements are given as under:

Item	11th Plan Original Target	Mid Term Review Target	Achievement in 11th Plan
New Lines	2000	2000	2207
Gauge Conversion	10000	6000	5321
Doubling	6000	2500	2758
Electrification	3500	4500	4556

Item	11th Plan Original Target	Mid Term Review Target	Achievement in 11th Plan
Wagons against RSP (IN	62000	62000	63481

Vehicular Units)			
Coaches (including EME/ MEMU/ DEMU	22500	19638	17085
Diesel Loco	1800	1019	1288
Electric Loco	1800	1205	1218

It may be seen that the original targets have been achieved only in respect of New Lines, Electrification and Wagons and if targets at Mid Term Review is considered, there had been shortfalls in Gauge Conversion and Coach production.

21. Asked about the reasons for the same, it has been stated that Gauge Conversion works fell short of target as increased emphasis was given on New Line and Doubling projects to provide rail connectivity to remote areas and to decongest the system through doubling. Further, the main reason for shortfall in coach production was less acquisition from sources other than production units of Railways and capacity constraints in some of the production units.

22. It has further been stated that lack of availability of sufficient funds has affected work in various other plan heads like bridges, track renewals, signalling and telecom and Metropolitan works. Physical targets for these works are reviewed on year to year basis in Annual Plans based on availability of funds. In Bridge works against targeted outlay of Rs.3400 crore actual outlay was Rs 1875 crore, in Track Renewals against targeted outlay of Rs 21,405 crore actual outlay was Rs 15618 crore, in Signalling & Telecom against targeted outlay of Rs 9900, actual outlay was Rs 5567 crore in Metropolitan Project against targeted outlay of Rs 4450 crore for the actual outlay was Rs 3179 crore. Further, against target outlay of Rs. 21,188/- crore for new lines, Rs, 17,300/- crore for gauge conversion and Rs. 16,000/- crore for doubling, the actual allotment has been Rs. 20,045 crore, 14,703 crore and Rs. 10,240 crore respectively. This has impacted the physical progress of doubling and

gauge conversion works. There has also been an impact on modernization and technology upgradation.

Strategies of Twelfth Five Year Plan (2012-17)

23. The Ministry of Railways had proposed 12th Plan investment of Rs. 7.35 lakh crore as the Indian Railways has been suffering from serious capacity constraints due to inadequate investment. An attempt was stated to be made in the 12th Plan to address capacity bottlenecks and investment in modernization and safety so that Railways are able to provide satisfactory services to passengers and customers. However, the Planning Commission has tentatively pegged the Railways' 12th Plan at Rs. 5.19 lakh crore with Gross Budgetary Support (GBS) of Rs. 1.94 lakh crore, internal generation of resources of Rs. 1.05 lakh crore and Extra Budgetary Resources of Rs. 2.20 lakh crore. It has been stated that the position would be reviewed during the Mid-Term Appraisal of the 12th Plan in 2014-15.

24. It has further been informed that the Ministry of Railways had sought Gross Budgetary Support of Rs. 3,16,842 crore for the 12th Plan for meeting the stipulated 12th Plan Targets. However, GBS allotment to the Railways has been only Rs. 1,94,221 crore.

25. The Committee desired to know about the plan schemes/activities which the Ministry would have to sacrifice in view of the reduced allocations for the 12th Plan, and how shortage of funds would effect the functioning of the Railways. In reply, it has been stated as under:

- MOR had proposed plan size of Rs 5,48,802 crore for the Twelfth Five Year. It included Gross Budgetary Support of Rs 3,16,842 crore (including Rs 30,000 crore for National Projects and safety fund of Rs 16,842 crore).
- Planning Commission has revised the Plan size to Rs 5,19,221 Crore. GBS has been reduced to Rs 1,94,221 crore. This includes Rs 52,000 crore of

Externally Aided Project (EAP) component of JICA & World Bank loan for Dedicated Freight Corridors.

- After meeting the requirement of Rs. 80,000/- crore for Dedicated Freight Corridors and National Project commitment of Rs. 30,000/- crore, only Rs. 84,221/- crore would be left which is marginally higher than the 11th Plan GBS (Rs 77,039 crore).

- The reduced plan size would adversely impact the New Lines, Doubling and Gauge Conversion works. With the reduced GBS, the fixed infrastructure targets that can be achieved are:

- New Lines – 1392 km including 200 Kms of National Project *(against Planning Commission target of 4000 km)*

- Gauge Conversion – 2000 km including 990 km of National Project (*against Planning Commission target of 5500 km)*

- Doubling – 4633 km *(against Planning Commission target of 7653km)*

- Electrification – 6500 km

- Track renewal will also be affected due to reduced plan size. An outlay of Rs 46,500 crore was projected to carry out track renewal of 19000 km in the 12th Plan along with execution of renewal works of other components of track like Turnouts, Fitting Renewals, Bridge Sleeper Renewals, Ballast recoupment, weld renewals, formation treatment etc. However prioritization of works will be done keeping in mind the condition of track as per availability of funds, for safe train operations.

26. It has been added that the Sam Pitroda and Anil Kakodkar Committees on modernization and safety respectively have projected total requirement of Rs 5,60,000 Crore & Rs 1,00,000 Crore respectively during the 12th Plan. Implementation of their recommendations would also be adversely affected due to shortage of funds.

27. The Committee wanted the Ministry of Railways to supply them with a copy each of the minutes of their meetings with the Planning Commission to finalise the 12^{th} Plan. The Ministry in their reply has informed that a number of meetings were held with Planning Commission with regard to the plan size of the 12^{th} Five Year Plan, however, no minutes were issued.

28. The Committee have learnt that the Twelfth Plan emphasizes on achieving a gender equal Railway Transport System, thereby according highest priority to women's safety and security. To a specific query it has been replied that, the Railways would be providing more coaches for ladies and better security in trains for ladies. Ladies special trains are also being run on suburban system. Provision of exclusive toilets for use of ladies is also being initiated at railway stations along with special ladies waiting rooms.

Projects of National importance

29. The Planning Commission in its review of the 12^{th} Plan has viewed that the Railway has not been able to cover major areas in many states and has very little presence in the North-East States and the Himalayan region. Also, the Hon'ble Rail Minister in his budget speech have stated that they will pursue for approval of certain projects identified as being of national importance viz.Bilaspur-Manali-Leh, Jammu-Poonch via Aknoor, Tanakpur-Bageshwar and Parsuramkund-Rupai. It is also proposed to take up a new line between Firozpur and Patti for providing direct link between border areas of Firozpur and Amritsar/Atari.

30. On being asked, the Ministry have informed that Railway has fixed target of completing 1392 Km new lines during XII Plan all across the country including Himalayan and North Eastern Region. Targets are fixed every year depending upon availability of resources and progress made on individual projects and therefore no project wise target for XII Plan can be fixed.

31. For 2013-14, a target of 500 Km of new line completion has been fixed. This includes Udhampur-Katra in Jammu & Kashmir and remaining portion of Harmuti-Naharlagun project providing connectivity to Capital of Arunachal Pradesh and balance portion of Dudhnoi-Mehendipathar providing connectivity to Capital of Meghalaya.

32. As regards the financial allocations for these projects, it has been stated that the total allocation for new line projects in 2013-14 is Rs. 6100 crore including Rs. 1500 crore for Dedicated Freight Corridor. For 156 projects of new line as on 01.04.2013 total budgetary allocation is Rs. 4600 crore which is considered inadequate. However, Rs. 2200 crore have been provided for National Projects of Jammu & Kashmir and North Eastern Region out of this allocation. Planning Commission and Ministry of Finance would be requested to enhance Gross Budgetary Support particularly for National Projects.

33. The Committee categorically asked whether the Ministry proposes to declare various rail projects in the Border states particularly hilly states as National projects so that these projects can be executed on priority. In reply, it has been stated that the proposal to declare two new line projects of Himachal Pradesh namely Nangal Dam – Talwara and Bhanupall-Bilaspur-Beri as National Projects has already been sent to PMO. PMO, however, has not agreed so far and has directed to complete Nangal Dam – Talwara project on priority. Further, CCEA Note has already been sent for Inter-ministerial consultations for sanctioning 4 projects viz. Bilaspur-Manali-Leh, Jammu-Poonch via Akhnoor, Tanakpur-Bageshwar and Parsuramkund-Rupai New Lines, as National projects. The proposals are stated to be in a stage of consultation.

Throw-Forward of railway infrastructure projects

34. In its review of the Eleventh Five Year Plan, the Planning Commission have pointed out that one of the major problems in the Railways has been excessive sanctioning of new projects annually, much beyond the resources available which only increases the throw-forward (numbers of projects under implementation). There is

stated to be an urgent need for a policy to limit the throw-forward to a certain proportion of their annual expenditure on these projects.

35. Throw forward of railway infrastructure projects as on 1 April, 2012 are given as under:

Infrastructure projects	Number of Works in Progress	Length in km	Cost (Rs crore)	Throw Forward 1st April 2012 (Rs crore)
New Lines	132	14212	123767	89792
Gauge conversion	42	9880	35051	18659
Doubling	174	9015	49295	38766
Electrification	39	4700	4100	6229
DFC Project	2	3338	95860	93860
Total	389	41145	308073	247306

36. The Committee wanted to know the views of the Ministry in this regard. The Ministry in their reply have stated that on the suggestion of Planning Commission and Ministry of Finance, Railway has firmed up priority list of ongoing projects. In this priority list, National Projects and cost sharing projects have been given highest priority. Priority of project has been given due consideration while fixing allocation of funds during 2013-14.

37. The details of break-up of throw forward of projects sanctioned more than 5 years ago and more than 10 years ago are given as under:

Annexure Point No.7

S.No.	Railway	Plan head	Year of inclusion in the Budget	Name of Project	Length (in Km)	Antl. Exp. March'12
						10043.3
1	NWR	1 New Line	1996-97	Dausa-Gangapur City (92.67 km)	92.67	196.89
						196.89
1	SCR	1 New Line	1993-94	Peddapalli-Karimnagar-Nizamabad	177.49	551.1
2	SCR	1 New Line	1996-97	Nandyal-Yerraguntla	126	571.01
3	SCR	1 New Line	1997-98	Gulbarga-Bidar (Suppl.)	140	307.52
4	SCR	1 New Line	1997-98	Macherla-Nalgonda (Suppl.)	92	0.36
5	SCR	1 New Line	1997-98	Munirabad-Mahabubnagar	246	118.87
6	SCR	1 New Line	1998-99	Gadwal-Raichur	60	257.85
7	SCR	1 New Line	1999-00	Kakinada-Pithapuram	21.5	0.01
8	SCR	1 New Line	2000-01	Kotipalli-Narsapur	57.21	9.41
						1816.12
1	SECR	1 New Line	1995-96	Dallirajahara-Jagdalpur (235 km)	235	54.04
2	SECR	2 Gauge Con.	1996-97	Jabalpur-Gondia including Balaghat-Katangi (285 km)	285	598.36
3	SECR	3 Doubling	1997-98	Bilaspur-Urkura (110 km)	110	56.81
						709.21
1	SER	1 New Line	1974-75	Howrah-Amta, Bargachia-Champadanga-Tarakeshwar, Amta-Bagnan & new MM for Janghipara-Furfura sharif (12.3 km)	109.8	159.85
2	SER	1 New Line	1984-85	Tamluk-Digha, Deshpran-Nandigram with new MM for Kanthi-Egra (26.2 km); Nandakumar-Bolaipanda 927 km) NL & Nandigram-Kandhimari (Nayachar) (7 km) NL	167.6	396.6
3	SER	2 Gauge Con.	1995-96	Rupsa-Bangriposi (90 km)	90	173.19
4	SER	2 Gauge Con.	1996-97	Ranchi-Lohardaga with extension to Tori (113 km)	113	288.89
5	SER	2 Gauge Con.	1998-99	Bankura-Damodar valley with Bowaichandi Khana(22),Rainagar-Chinchai (20.9) Bankura-Mukutmonipur(57)& MM Mukutmonipur-Uparsol(26.70),Bankura (Kalabadi)-Purulia via Hura (65)&Mukutmonipur-Jhilmili(24	281.85	429.62
6	SER	3 Doubling	1997-98	Goelkera-Manoharpur 3rd line (40 km)	40	39.12
7	SER	3 Doubling	2000-01	Tikiapara-Santragachi -IV line (5.6 km)	5.6	42.05
						1529.32
1	SR	1 New Line	1995-96	Tirunnavaya-Guruvayur (35 km)	35	17.97
2	SR	1 New Line	1997-98	Angamali-Sabarimala (116 km)	116	39.74
3	SR	2 Gauge Con.	1995-96	Tiruchchirappali-Nagore-Karaikkal (200 Kms) with extn. Nagapattinam-Velankani-Tiruturaipundi (43 Kms)	243	551.98
4	SR	2 Gauge Con.	1997-98	Quilon-Tirunelveli-Tiruchendur & Tenkasi-Virudhnagar (357 km)	357	757.82
5	SR	3 Doubling	1999-00	Attipattu-Korukkupettai 3rd line (18 km)	18	134.91
						1502.42
1	SWR	1 New Line	1996-97	Bangalore-Satyamanglam (260 km)	260	0.29
2	SWR	1 New Line	1996-97	Hassan-Bangalore via Shravanabelgola (166 km)	166	480.88
3	SWR	1 New Line	1996-97	Kadur-Chickmagalur-Sakleshpur (93 km)	93	227.54
4	SWR	1 New Line	1997-98	Hubli-Ankola (167 km)	167	69.45
5	SWR	2 Gauge Con.	1997-98	Mysore-Chamarajanagar(Ph.I) with extension to Mettupalayam (148 km)	148	196.43
6	SWR	3 Doubling	1997-98	Bangalore-Whitefield-Bangalore City-Krishnarajapuram (23.08 km) Quadrupling	23.08	0.02
						974.61
1	WCR	1 New Line	1997-98	Lalitpur-Satna, Rewa-Singrauli & Mahoba-Khajuraho (541 km)	541	655.54
2	WCR	1 New Line	2000-01	Ramganjmandi-Bhopal (262 km)	262	217.1
						872.64
1	WR	2 Gauge Con.	1990-91	Bhildi-Viramgam with new MM for Mehsana-Taranga hill(57.4Km)	214.4	158.16
2	WR	2 Gauge Con.	1994-95	Rajkot-Veraval, Wansjalia to Jetalsar with new MM for Shapur-Saradiya(46km) & Somnath-Kodinar(38.91km)	363.91	512.2
3	WR	3 Doubling	2000-01	Surat-Kosamba PH-I of 3rd line between Vadodara and Virar	35	0
						670.38
						41153.7

S.No.	Railway	Plan head	Year of inclusion in the Budget	Name of Project	Length (In Km)	Anti. Exp. March'12
1	CR	1 New Line	1995-96	Ahmednagar-Beed-Parle Vaijnath	250	115.71
2	CR	1 New Line	1998-99	Baramati-Lonand	54	97.38
3	CR	3 Doubling	1996-97	Panvel-Roha land acquisition	75.44	14.17
						227.26
1	ECoR	1 New Line	1992-93	Daltari-Banspani (155 km)	155	1024.94
2	ECoR	1 New Line	1993-94	Lanjigarh Road-Junagarh (56 km)	56	190.9
3	ECoR	1 New Line	1994-95	Khurda Road-Bolangir (289 km)	289	206.14
4	ECoR	1 New Line	1996-97	Angul-Sukinda Road (98.7 km)	98.7	242.22
5	ECoR	1 New Line	1996-97	Haridaspur-Paradeep (82 km)	82	462.24
6	ECoR	3 Doubling	1999-00	Rajatgarh-Barang (20 km)	20	265
						2371.44
1	ECR	1 New Line	1996-97	Giridih-Koderma (102.5 km)	102.5	679.36
2	ECR	1 New Line	1996-97	Khagaria-Kusheshwarsthan (44 km)	44	89.25
3	ECR	1 New Line	1996-97	Sakri-Hasanpur (79 km)	79	172.83
4	ECR	1 New Line	1997-98	Muzaffarpur-Sitamarhi (63 km)	63	454.52
5	ECR	1 New Line	1997-98	Patna-Ganga bridge with linking lines between Patna and Hajipur (rail cum road bridge) (19 km)	19	1208
6	ECR	1 New Line	1998-99	Koderma-Ranchi (189 km)	189	1223.64
7	ECR	1 New Line	2001-02	Koderma-Tilaiya (68 km)	68	37.62
8	ECR	1 New Line	2001-02	Rajgir-Hisua-Tilaiya (46 km) & Natesar-Islampur (21 km)	67	297.66
9	ECR	1 New Line	2001-02/ 2002-03	Fatuha-Islampur incl. MM for extn.of NL from Daniawan to Biharsharif, Biharsharif to Barbigha, Barbigha to Shekhpura	171.5	295.66
10	ECR	2 Gauge Con.	1996-97	Mansi-Saharsa, incl. Saharsa-Dauram Madhepura-Purnia (143 km)	143	384.77
11	ECR	2 Gauge Con.	1997-98	Jaynagar-Darbhanga-Narkatiaganj (268 km)	268	653.66
						5496.97
1	ER	1 New Line	1987-88	Laxmikantapur-Namkhana-Chanda Nagar(61.5km) with new MM for Kakadwip-Budakhali (5 km) & Chandanagar-Bakhali (17.2 km)	83.7	132.51
2	ER	1 New Line	1995-96	Rampurhat-Mandarhill via Dumka (130 km) with new MM for Rampurhat-Murarai (29.48 km)- 3rd line	159.48	561.79
3	ER	1 New Line	2000-01	Deogarh-Sultanganj incl. Banka-Barahat and Banka-Bhitiah Road(149.5 km)	147	391.38
4	ER	1 New Line	2000-01	Tarakeshwar-Bishnupur with Ext up to Dhaniakhali, Arambagh-Irphala & new MM for Irphala-Ghatal (11.2 km) & Arambagh-Champadanga (23.3 km)	154.27	461.21
5	ER	1 New Line	2001-02	Azimganj-Murshidabad (Jiyaganj) incl. Rly. Bridge over river Bhagirathi	6.6	89.22
6	ER	3 Doubling	1996-97	New Alipur-Akra & Budge Budge-Pujali with new MM for Pujali-Uluberia (Birshivpur) (10.25 km) & Pujali-Bahrahat (9.75 km) NL	40.76	204.06
7	ER	3 Doubling	2000-01	Habra-Bongaon Phase-I (Habra-Chandpara) & Machlandapur-Swarup Nagar	37.25	117.21
8	ER	3 Doubling	2000-01	Kalinarayanpur-Krishnanagar with Krishnanagar-Shantipur-Nawadwipghat-GC & Krishnanagar-Chartala &new MM for Krishnanagar-Chhapra NL, Naihati-Ranaghat-3rdline & Nabadwipghat-Nabadwipdham with extn toBB	115.06	256.32
9	ER	3 Doubling	2000-01	Sonarpur-Canning (14.96 km) with new MM for Kalikapur-Minakhan via Gatakpur (38 km) NL	52.96	165.49
						2379.19
1	NCR	1 New Line	1985-86	Guna-Etawah via Shivpur-Gwalior-Bhind (348.25 km)	348.25	557.34
2	NCR	1 New Line	1997-98	Etawah-Mainpuri (57.5 km)	57.5	175.77
3	NCR	1 New Line	1999-00	Agra-Etawah via Fatehabad and Bah (110 km)	110	316.21
4	NCR	3 Doubling	1995-96	Tundla-Yamuna Bridge (21 km)	21	67.62
						1116.94
1	NER	1 New Line	1995-96	Rampur-Lalkuan-Kathgodam - ROB on NH near Rampur		0.11
2	NER	2 Gauge Con.	1997-98	Gonda-Baharaich- as Ph I of Gonda-Baharaich-Sitapur-Lucknow (60 km)	60	35.06
3	NER	2 Gauge Con.	1997-98	Gonda-Gorakhpur Loop with Anand nagar Nautanwa	260	502.1
4	NER	2 Gauge Con.	1997-98	Kanpur-Kasganj-Mathura & Kasganj-Bareilly -Lalkuan incl. MM for extn. From Bareilly to Lalkuan (544.5 km)	544.5	1258.6
5	NER	2 Gauge Con.	1999-00	Kaptanganj-Thawe-Siwan-Chhapra (233.5 km)	233.5	475.3
						2271.17
1	NFR	1 New Line	1983-84	Eklakhi-Balurghat(87.11 km) ,Gazole-Itahar(26 km) & new MM for Raiganj-Itahar (21.8 km) & Itahar-Buniadpur (39 km)	175.91	243.02
2	NFR	1 New Line	1992-93	Dudhnoi-Mendhipathar (19.75 km)	19.75	60.11
3	NFR	1 New Line	1996-97	Harmuti-Naharlagun (earlier Harmuti-Itanagar) (20 km)	20	247.7237
4	NFR	1 New Line	1997-98	Bogibeel bridge with linking lines between Dibrugarh and North Bank line (46 km)	73	2406.6084
5	NFR	1 New Line	2000-01	New Moynaguri-Jogighopa NL with GC of New Mal-Moynaguri Road and New Changrabanda-Changrabanda (3 km)	260	990.45
6	NFR	2 Gauge Con.	1996-97	Lumding-Silchar incl. Migrendisa-Dittockchera (198 km), ext. Badarpur-Bairagram (44 km) & new MM for GC of Baraigram-Dullabchera with bypass at Karimganj (29.40 km) & Karimganj-Maishashan (10.30 km)	482.73	3141.68
7	NFR	2 Gauge Con.	1997-98	Katakhal-Bhairabi (84 km)	84	121.17
8	NFR	2 Gauge Con.	1998-99	New Jalpaiguri-Siliguri-New Bongaigaon NL along with Branch lines & new MM for Chalsa-Naxalbari (16 km) NL	433	1029.59
9	NFR	2 Gauge Con.	2000-01	Katihar-Jogbani with ext. upto Radhikapur, Katihar-Tejnarayanpur & new MM for Raiganj-Dalkhola(43.43 km) NL	277.43	735.52
						8975.87
1	NR	1 New Line	1981-82	Nangal Dam-Talwara (83.74 km) new broad gauge line & Taking over siding of Mukerian-Talwara (29.16 km)	83.74	341.79
2	NR	1 New Line	1994-95	Udhampur-Srinagar-Baramula (290 km)	290	7916.89
3	NR	1 New Line	1997-98	Chandigarh-Ludhiana (112 km)	112	857.85
4	NR	3 Doubling	1997-98	Jallandhar-Pathankot-Jammu Tawi (211.26 km)	211.26	829.15
5	NR	3 Doubling	1998-99	New Delhi-Tilak Bridge 5th and 6th line (2.65 km)	2.65	59.75
6	NR	3 Doubling	1999-00	Dayabasti-Grade separator	6	37.87

38. It has been supplemented that in view of huge shelf of projects and huge throw forward, a holistic and realistic view of on-going works has been taken by categorizing them. The ongoing projects have now been reviewed, pin-pointed & categorized in consultation with Ministry of Finance. The categories in the decreasing order of priority are as under:-

(a) A-1 – National Projects and projects funded fully/partly by Ministry of Finance.

(b) A-2 – Projects involving cost sharing with State Governments.

(c) A-3 – High priority projects with Railways' point of view.

(d) B – Other projects.

(e) C – Projects where no progress has been made so far.

39. The criteria adopted for categorization and prioritization of A-3, B & C category projects are:-

(a) Projects which enhance capacity.

(b) Projects which facilitate incremental revenue generation.

(c) Projects which provide alternate route.

(d) Projects which are in the last leg of their completion.

(e) Projects which have positive impact on traffic movement.

(f) Projects which have positive impact on improving safety.

(g) Project which help in debottlenecking.

40. As stated the aim behind this categorization is the identification of important projects having potential to increase throughput and revenue earnings, to avoid thin spread of resources thereby ensuring timely completion of works.

Public Private Partnership (PPP)

41. The Committee drew the attention of the Ministry to the review of the Planning Commission in which it has been observed that investment in Railways can be stepped up with the help of PPP. So far, such investments have been extremely small. Private investment mobilisation in the 11th Plan is likely to the tune of 4 percent of the Plan

Outlay, which is far less compared to the Private Capital share in other sectors like Ports-80 percent, telecom 82 percent, Electricity 44 percent, Airports 64 percent and Roads 16 percent. Projects related to rolling stock manufacturing units, multifunctional complexes, logistics parks, private freight terminals, freight train operators, liberalised wagons investment schemes, Dedicated Freight Corridors and so on which are in the pipeline offer excellent opportunities for private investment. These need to be speedily executed in the 12th Plan. An ambitious target of Rs. One lakh crore has been kept for the Ministry of Railways to attract investments through PPP route during the 12th Plan.

42. The Ministry have agreed that given the limited resources and large competing demands for capacity augmentation, connectivity, improved services, etc. for the resources, Indian Railways would need to mobilise more resources from the private sector. The private participation is being sought mainly in infrastructure sector as transportation is reserved for the public. Key infrastructure areas which have been identified for private sector participation are development of private freight terminals, dedicated freight corridors, re-development of stations, port connectivity projects, logistics parks, elevated rail corridor, wagon investment schemes and loco & coach manufacturing units, etc. However, rail infrastructure projects by their very nature are capital intensive, long gestation projects and prone to traffic risk which pose challenges for the PPP route

43. It has been supplemented that for attracting private investment, the policies need to adequately address the issue of risk allocation and sharing of rewards between the parties. Ministry of Railways have recently announced a new policy to encourage private participation in building rail connectivity and capacity augmentation, in supersession of the earlier R3i and R2Ci policies. The new policy offers 5 models for private participation – (i) Non-Government Private Line model, (ii) Joint Venture Model, (iii) Build Own & Transfer model, (iv) Capacity Augmentation through funding by Customer and (v) Capacity Augmentation through competitive bidding and annuity. It is expected that investments for port and large mines

connectivity would be forthcoming during the 12th Plan period. Further, with the new policies on Private Freight Terminals (PFT), Automobile Freight Train Operator Scheme (AFTO) and Special Wagon Leasing Scheme, private investment particularly by stakeholders is proposed to be garnered. For development of stations through PPP, Indian Railway Station Development Corporation Limited (IRDC) has been set up.

44. During evidence of the Ministry of Railways, the Committee enquired about the details regarding the shift in the policy for starting a new project with the State Government's assistance. The witness submitted that all the projects require the approval of the Planning Commission. Whenever any project is sent, even with a negative or positive ROR, the Planning Commission has now legislated that the State Government concerned should give land free of cost and also share 50 per cent of the cost of the project.

45. The Committee expressed an apprehension that now if the State Government concerned gives the land free of cost and also share 50 per cent of the cost of the project, it will be sanctioned irrespective of the fact that it has negative or positive ROR and desired to know how this policy is going to benefit the Railways. In reply, it has been stated that Railway has requested State Governments to come forward for sharing cost of projects. Planning Commission is also insisting on land free of cost & sharing of at least 50 percent of cost of project by State Govt. With land free of cost & sharing of cost, rate of return of projects improves & projects become more viable and possibility of sanction improves. There is no blanket policy that if land is provided free & 50percent cost is shared by State Govt. then project would be essentially sanctioned irrespective of RoR.

46. To a specific query with regard to the fate of those projects in States which are pending and the States are not in a position to provide land free of cost or share 50 percent of the cost, it has been stated that these projects are being executed as per availability of resources.

Annual Plan 2013-14/Performance during 2012-13.

47. The Committee have been informed that the Ministry of Railways have proposed a plan investment of Rs. 63,363 crore for 2013-14. The Plan is proposed to be financed through GBS of Rs. 26000 crore, Road Safety Fund of Rs. 2,000 crore, internal resources of Rs. 14,260 crore, market borrowings of Rs. 15,103 crore and an expected mobilization of Rs. 6,000 crore through PPP route. The thrust of the Plan is on doubling of tracks, safety and passenger and staff welfare for which outlay has been increased from about Rs. 11,409 crore in 2012-13 to Rs. 13,233 crore , an increase of 16 percent.

48. Asked about the progress of financing of the Annual Plan 2012-13, the information has been given as under:

Funding Source	12th Plan target	Budget Estimates 2012-13	Revised Estimates 2012-13	Variation in (Revised Estimates 2012-13)	percentage likely achievement in first year vis-a-vis 12th Plan target
Gross Budgetary Support (including safety fund)	194221	26000	26265	265	13.5 %
Internal Generation	105000	18050	9950	-8100	9.5 %
Extra Budgetary Resources	220000	16050	16050	0	7.3 %
Total	**519221**	**60100**	**52265**	-7835	

It may be seen from above that the major area of shortfall had been on account of the internal generation of resources.

49. When asked about the reasons for the substantial shortfall in raising the internal resources, it has been stated that the internal resources in Annual Plan during 2012-13(RE) has reduced mainly due to likely reduction in earnings by Rs. 6,867 crore consequent upon roll back of fare rationalization (Rs. 4,200 crore) proposed in Railway Budget 2012-13, reduction in the targeted originating passengers from 8741

Million in BE to 8640 Million in RE and freight loading from 1025 MT in BE to 1007 MT in RE and also likely increase in pension expenditure by Rs. 1500 crore.

50. To a specific query, the Ministry have furnished the targets vis-à-vis achievements in respect of freight and passenger business during 2012-13 as under:

		Budget Estimates 2012-13	**Revised Estimates 2012-13**	**Variation over Budget Estimates 2012-13**	**Approx. to end of February 2013**
Passenger	No. of Passengers (Millions)	8740.79	8640.00	-100.79	7803.42
Freight	Tonnage Originating (Millions)	1025.00	1007.00	-18.00	911.53

51. The Ministry have further informed about the physical targets in passenger and freight segments for 2013-14 as under:

		Budget Estimates 2013-14	**Variation over Revised Estimates 2012-13**
Passenger	No. of Passengers (Millions)	9089.00	449.00
Freight	Tonnage Originating (Millions)	1047.00	40.00

52. As regards the major areas of shortfalls during 2012-13 in physical terms in respect of Fixed Infrastructure and Rolling Stock, the Plan Head-wise targets for the 12th Five Year Plan and likely achievement in the first year of the Plan (upto March, 2013) and achievement in percentage terms of 12th Plan target is given as under:

Progress of Physical Infrastructure & Rolling Stock:

	12th Plan target	**Likely achievement till 31.3.2013**	**%age likely achievement in first year vis-a-vis 12th Plan target**
Fixed Infrastructure			
New Lines	4000	470	11.75 %
Gauge Conversion	5500	575	10.5%
Doubling	7653	700	9.1%
Electrification	6500	1200	18.5%
Rolling Stock			
Diesel Locomotive	2010	330	16.4%
Electric Locomotive	2000	300	15.0%
Coaches	24000	4000	16.7%
Wagons	105659	16000	15.1%

53. Asked about the major reasons for the under-achievements, they are stated to be paucity of funds in undertaking infrastructure creation works besides slow progress due to delay in land availability, forestry clearances and contract failures.

54. In view of the continuous shortfalls over the years in internal resources, the Committee enquired about the steps taken by the Ministry in order to realise the target in respect of Internal resources of Rs. 14,260 crore in 2013-14 and of Rs. 1,05,000 crore in the 12th Plan. In reply, the Ministry have stated that the targets laid for passenger and goods earnings in BE 2013-14 are based on an incremental growth of 5.2 percent in passenger traffic and 3.9 percent in goods traffic respectively over RE 2012-13. This apart, the passenger fares have been revised upwards w.e.f. 22.01.2013, the full year effect of about Rs. 6600 crore of which will flow to the passenger earnings during 2013-14. Some passenger service charges have also been revised. Further, the freight rates have been linked to the Fuel Adjustment Component(FAC) which will also help in mobilizing about Rs 4,200 crore. It has been stated that considering the conservative growth rates and measures taken by

Railways, the internal resource target for the Plan, 2013-14 is likely to be achieved. With stabilization of 6th Pay Commission impact on working expenses as well as pension and introduction of FAC and rationalisation of passenger fares, railways will strive to attain the 12th Plan internal component target of Rs 1,05,000 crore. Adequate measures will be taken in the remaining three years of the 12th Plan to augment earnings, if required.

55. Ministry of Railways have further stated that they had sought Gross Budgetary Support of Rs. 3,16,842 crore for the 12th Plan for meeting the stipulated 12th Plan Targets, interalia, including the above Targets. However, GBS allotment to the Railways has been only Rs. 1,94,221 crore. In view of the curtailed GBS, the above targets cannot be fully met. There is a further reduction in the GBS as compared to the proportionate requirement of the first two years viz 2012-13 and 2013-14. The position would be reviewed during the Mid-Term Appraisal of the 12th Plan in 2014-15.

56. The Committee specifically asked whether the allocation of funds during 2013-14 for various railway plan schemes/activities are adequate. In reply, it has been informed that the allocation of funds during 2013-14 for important Railway projects is not adequate as can be seen from the table below:-

(Rs. In Crore)

Plan Head	Funds proposed to Planning Commission for the Annual Plan 2013-14	Funds Allocated in 2013-14	Shortfall
NEW LINE (PH-11)	8523	6654	1869
GAUGE CONVERSION (PH-14)	2391	2235	156
DOUBLING (PH-15)	6256	3278	2978
TRAFFIC FACILITY (PH-16)	1365	946	420
S&T (PH-33)	946	1107	161 (Excess)
RE (PH-35)	1038	1005	33
WORKSHOP (PH-42)	2202	2140	62
ROLLING STOCK (PH-21)	19730	17934	1796
TOTAL	**42451**	**35299**	**7152**

57. It has been stated that Railways will not be able to achieve the desired physical targets as indicated above due to inadequate allocation to the tune of Rs.7152 crore. Further, the Railways internal generation has been stretched to its limits and thus the shortfall can only be met through additional GBS. Efforts will be made to generate additional resources through borrowings and PPP route.

Fixed Infrastructure Creation

New Lines Construction

58. It has been observed that during 2012-13, against the target of 700 route km of new lines, 470 route km are likely to be achieved. As regards the reasons for under-achievement of the physical target, the Ministry in their reply have stated that the revised outlay of Rs. 5,945 crore provided during the year for new line included Rs. 1,500 crore for Dedicated Freight Corridor. For execution of 132 projects, total funds available were only Rs. 4,445 crore. Out of this Rs. 4,445 crore, Rs. 2,185 crore were provided for new line National Projects. National Projects are cost intensive and are in various stages of execution. With the investment of Rs. 2,185 crore only 63 Km on Udhampur-Srinagar-Baramulla and Bogibeel rail cum road bridge are getting completed.

59. As a result, for 123 new line projects (other than National Projects), total fund available was Rs. 2,260 crore only and with this available funds it is not possible to complete projects more than 470 km length.

60. The Committee further asked about the reason for keeping lower physical target of 500 km of new line in 2013-14 as compared to the target of 700 km in 2012-13. In reply, it has been stated that the total allocation for new line projects in 2013-14 is Rs. 6,100 crore including Rs. 1,500 crore for Dedicated Freight Corridor. For 156 projects of new line as on 01.04.2013 total budgetary allocation is Rs. 4,600 crore which is considered inadequate. Out of this, Rs. 4,600 crore outlay for National Projects is Rs. 2,200 crore and only 25 km section on National Projects of Jammu &

Kashmir is getting completed. Therefore, due to inadequate availability of funds and huge investment requirement for National Projects, targets for new lines have been reduced to 500 km during 2013-14.

Doubling

61. The Committee have observed that during 2012-13, BE of Rs. 3,438 crore was made for doubling the existing railway routes which was revised to Rs. 2,647 crore at RE stage. However, the physical target as on 31 March, 2013 is likely to be fully achieved as against the target of 700 route km for doubling, the likely achievement is 705 route km.

62. In this context, the Ministry have explained that during 2012-13, focus was on expediting execution of doubling projects and accordingly allocation higher than the expenditure incurred in previous years was provided. Revised outlay of Rs. 2,647 crore is higher than the expenditure incurred in 2011-12 which was Rs. 2,372 crore. Since focus was on completion of doubling, priority was given to projects which are in advance stages and can be completed with lesser investment. Further, a target of 750 route km has been kept during 2013-14.

Gauge Conversion

63. The Committee were informed that an outlay of Rs. 2,270 crore was fixed during 2012-13 for gauge conversion, however the same was revised upward at RE stage to Rs. 2,647 crore. At the same time, the likely achievement as on 31 March, 2013 is 575 route kms as against the target of 800 km. When asked about the reasons for the under-achievement, it was stated that although financial allocation of gauge conversion were enhanced from Rs. 2,270 crore to Rs. 2,647 crore, targets had to be reduced from 800 km to 575 km mainly due to the fact that substantial outlay (Rs. 940 crore) had to be provided for strategic National Project of Rangia-Murkongselek and Lumding-Silchar which are cost intensive but only 154 Km section is getting completed.

64. It has further been observed that an allocation of Rs. 2125 crore has been made during 2013-14 to achieve the physical target to convert 450 km of MG/NG lines to broad gauge, which is lesser than the original and revised targets of 800 km. and 575 km respectively. In reply to a query, it has been submitted that targets for gauge conversion have been scaled down in 2013-14 due to reduced allocation of funds. There is a total outlay of Rs. 2125 crore in gauge conversion plan head which includes Rs. 800 crore for two National Projects. Both the National Projects of North Eastern Region are capital intensive but only 173 Km section is getting completed in 2013-14.

65. At an apprehension expressed by the Committee that keeping lower targets for new lines construction as well as gauge conversion during 2013-14 would be affecting the adding capacity of the railway system, the Ministry accepted that keeping lower targets for gauge conversion and new lines would affect capacity addition on railway system. However, it has simultaneously been informed that targets can be revised upward at RE stage provided additional funds through GBS are released for execution of projects.

66. The Committee have been informed that a meagre allocation of Rs. 6850 crore for gauge conversion in 12^{th} Plan is kept due to paucity of funds. During 12^{th} Plan, railway incurred expenditure of Rs. 15555 crore on gauge conversion and which resulted in completion of 5321 Km of gauge conversion.

Railway Electrification

67. It has been observed that out of the total 64,600 railway route kms, the total electrified route kms is only 22224 (as on 31.03.2012) throughout the various Plan Periods, the details of which are as under:

Period	**Route Kms. Electrified**
Upto VII Five Year Plan (1990)	9,252
Annual Plans (1990-92)	1,557

VIII Five Year Plan (1992-97)	2,708
IX Five Year Plan (1997-02)	2,484
X Five Year Plan (2002-07)	1,810
XI Five Year Plan (2007-12)	4,556
Total	22224 *

* 168 RKM of MG electrified Line dismantled and 25 RKM of Kolkata Metro added.

68. In response to a query, it has been informed that 6,500 route km are proposed for railway electrification during 12th Five Year Plan (2012-17). Upto March 31, 2012, 34.40percent of the total kilometers have been electrified. On the contrary, the share of allocation of resources to electrification has been decreasing throughout the five year plans as is evident from the percentage share of electrification in the Plan expenditure during the various Plan periods, which is as under**:**

Period	Percentage share of electrification
1950-90	6.23
1990-92	6.35
Eighth Plan (1992-97)	6.61
Ninth Plan (1997-02)	6.51
Tenth Plan (2002-07)	2.42
Eleventh Plan (2007-12)	3.00

69. To a specific query, it has been informed that the proposed percentage share of Plan Expenditure for Plan Head "Railway Electrification" in the 12th Plan is 1.26 percent. Percentage share of Railway Electrification in the total plan outlay has been going down due to increase in the total plan size of Indian Railways. However, there is stated to be no constraint in meeting the targets laid down.

70. The Committee have learnt that 65.60percent of goods traffic and 50.40 percent of coaching traffic are hauled by electric traction, however the fuel expenses on electric traction is only 38.70percent as compared to 61.30percent fuel expenses

on diesel traction while goods traffic and coaching traffic by diesel traction is only 34.40 percent and 44.60percent respectively. To a suggestion made by the Committee that Railways should lay more emphasis on the rail electrification as it is far better option as compared to HSD, the Ministry has replied that Indian Railways have already embarked upon a major Electrification programme, as can be seen from the targets and achievements of 10th, 11th & 12th Five Year Plans as given below:-

Plan	**Targets (in Route Kilometers)**	**Achievements (in Route Kilometers)**
10th Plan	1800	1810
11th Plan	4500	4556
12th Plan	6500	1317 upto 31.03.2013 during 1st year of Plan period i.e. 2012-13 against target of 1200 RKMS.

71. A target of 1300 RKMs for rail electrification has been fixed for 2013-14. The Ministry have further added the the targets of Railway Electrification are being consistently achieved and the same trend is going to continue in future. The steps which have been taken include, the introduction of turnkey contracts, developing of new sources for execution of works besides constant and continuous monitoring at all the levels. Shelf of Railway Electrification projects is stated to be bare minimum to achieve the targets defined in 12th Five Year Plan.

Rolling stock capacity augmentation

72. The Committee have learnt that the rolling stock requirement of the Railways during the 12th Plan is as under:

Type of stock	**Requirement* on additional Account(2012-13 to 2016-17)**	**Requirement** on replacement Account (2012-13 to 2016-17)**	**Total requirement (2012-13 to 2016-17)**	**Anticipated Acquisition (2012-2017)**
Coaches	25440	7626	33066	24000
Diesel locos	1500	500	2000	2000

Electric locos	1800	210	2010	2010
Wagons	76396	29263	105659	105659

*Requirement of coaches includes EMUs, MEMUs and DEMUs.

** Requirement on replacement Account for all rolling stocks are based on actual over age arising and the trend of average condemnation.

73. The Committee have observed that BE and RE for Rolling stock capacity augmentation during 2012-13 was Rs. 18193 crore and Rs. 18068 crore respectively. The expected physical achievement is 630 locos, 4000 coaches and 16000 wagons, against the target of 630 locos, 3816 coaches and 16894 wagons. Thus, in respect of coaches, the achievement has exceeded the targets. An outlay of Rs. 17934 crore has been kept during 2013-14. Further, during 2013-14, the target of 680 locos, 16000 wagons and 4130 coaches have been fixed.

74. As regards the steps being taken/proposed to enhance the production of coaches in view of their urgent need, it has been stated that the Production capacity of ICF is being augmented from 1500 coaches to 1700 coaches per annum to enhance the production of coaches in view of increased demand. A new Rail Coach Factory at Rae-Bareli has started production of coaches. DMU coach factory at Haldia is also in the final stages of turning out coaches. Newly sanctioned coach factories such as Kanchrapara and Palakkad, are in different stages of implementation. To further meet the increasing coach requirements, some greenfield factories have been announced at Kolar, Kutch, Sonepat and Bhilwara. Further capacity augmentation of existing units is also under consideration.

75. The Committee categorically enquired that with the level of financial allocations being made for Rolling stock capacity augmentation, how the Ministry anticipate the required number of rolling stock by the Railways. In reply, it has been stated that Works for Rolling Stock capacity augmentation have a long gestation period and funds are allotted subject to availability and commensurate with the projected progress. Within the ambit of overall capacity of Rolling Stock Production units, the number of

rolling stock required by the Railways is estimated on the basis of projected traffic requirements.

Road Over Bridges (ROBs)/Road Under Bridges(RUBs)

76. Railways have stated to have undertaken construction of ROBs across the country in a big way, on National Highways crossing at Railway crossing. The progress of cost sharing works sanctioned and completed from 2003-04 onwards is given below:

Year	ROB/RUBs Works Sanctioned on cost sharing basis	Completed
2003-04	53	20
2004-05	23	19
2005-06	47	21
2006-07	104	35
2007-08	98	28
2008-09	139	38
2009-10	107	80
2010-11	137	67
2011-12	186	83
2012-13	379	90*

** Progress is upto 31st March, 2013.*

It may be seen from above that the achievement in respect of ROBs/RUBs have been far below targets ever since 2003-04 till 2012-13.

77. As regards the under-achievement of targets in respect of ROBs/RUBs during 2012-13, it has been stated that Construction of ROBs/RUBs targeted during 2012-13 could not be completed due to various reasons, beyond the control of Railways, which are as under:

- late sanction of corresponding work in the State Budget
- inadequate fund allocation by the State Government,
- non-submission of General Arrangement Drawing (GAD) & estimate by the State Govt.

- frequent changes in alignment of approaches
- late finalisation of tender for the work of approaches
- non-availability of encumbrance free land for construction of approaches,
- not providing undertaking to maintain road and drainage in future for RUBs,
- delay in providing consent of closure of level crossings

78. The Ministry has further stated that to resolve the various interface issues with different stake holders, Railway has taken following pro-active measures:

- joint survey with all concerned including State Govt. to finalise the tentative GAD,
- circulation of check list and guidelines for preparation of GAD to State Govt. to avoid any back reference from Railway to State Govt.
- standardization of drawings for various spans to avoid delay in designing.
- nomination of nodal officer for single window clearance of GAD from Railway side
- use of pre-cast/pre-fabricated components of the bridge.
- engaging single agency for construction of Railway Bridge as well as the approaches.

79. To a specific query, it has been informed that funds allotted for construction of ROBs/RUBs during 2012-13 is Rs. 1,350 crore and utilisation upto January 2013 is Rs. 909 crore. It has further been informed that 238 ROBs and 1843 RUBs have been sanctioned in Railway Works Programme 2013-14 on cost sharing basis/Railway cost. The requirement of funds for road safety works is as uneder:

(Rs. in crore)

Total shelf of previous years sanctioned project (as on 01-04-2013)	18,030
Additional work sanctioned in 2013-14	8,800
Funds required for elimination of unmanned level crossings	10,000
Total requirement	36,830
Expected balance in Road safety funds as on 01-04-2013	1,500
Average annual accrual in Road Safety funds	1,050

80. The Committee have learnt that Railway Safety Fund set up to finance safety works at level crossings has been very useful, but is proving to be inadequate. Railways's annual share from Central Road Fund is only Rs. 1,100 crore against a requirement of almost Rs. 5000 crore.

81. It has been informed that with the above total requirement of funds and existing level of allocation per year of about Rs.1050 crore per annum, the expected completion period of works would be about 34 years. However, available resources are being distributed based on the priority and progress of works. Ministry of Railway is approaching Ministry of Finance for additional allotment of funds from Central Road Fund to execute the sanctioned work as detailed above.

82. During evidence, Chairman, Railway Board, in this context, supplemented that for ROBs and RUBs, the Ministry of Railways have moved a cabinet note because the entire funding come from a Safety Cess. There is a Safety Cess which the Government passes on to the Ministry. The Safety Cess which we the Ministry get is about Rs. 1,100 crore.

Level Crossing (LC)

83. The work of manning, provision of lifting barriers and basic infrastructure are main aspects of safety at LC for Railways as well as road users. From the performance Budget of the Ministry of Railways for the year 2013-14, the progress in this regard during 2010-11, 2011-12 and 2012-13 is shown as under:

S. N0.	Type of work at Level Crossing	Target during 2010-11	Progress during 2010-11	Target during 2011-12	Progress during 2011-12	Target during 2012-13	Progress during 2012-13 (upto March, 2013)
1	Works relating to manning of unmanned Level Crossings	1000	1399 (434 manned & Infrastructu-re ready at 965 level crossing gates awaiting	2045	1178 (777 manned & Infrastructure ready at 548 level crossing gates awaiting	1066	*901 (461 manned & Infrastructure ready at 440 level crossing gates awaiting

			manpower)		manpower)		manpower)
2	Provision of lifting barriers at Level Crossing	295	221	160	117	200	110
3	Provision of basic infrastructure like smooth road, proper gradient, hexagonal blocks on track for passing of road traffic.	1628	2079	1011	958	755	928

84. The Committee have been informed that the work of level crossings targeted during 2012-13 could not be achieved due to various reasons, beyond the control of Railways, which are given as under:

- State Govt. quite often do not give consent for closure of level crossings.
- non-availability of encumbrance free land for construction of approaches in case of construction of RUB/LHS.

85. It is further submitted that almost more than 50percent LC was targeted for closure during 2012-13 by manning. In this regard it is informed that:

- It has emerged from the analysis of pattern of accidents that manning of unmanned level crossings is not an ideal solution. Therefore, the policy of manning of unmanned LCs has been reviewed. Accordingly, Railways have decided to progressively eliminate all unmanned Level Crossings by :

Closure – Closing unmanned level crossings having NIL/negligible TVU

Merger – Merger of unmanned level crossing gate to nearby manned or unmanned gates or subway or RUB or ROB by construction of diversion road.

Provision of subways/RUBs

Manning – The unmanned level crossings which cannot be eliminated by above means will be progressively manned based on rail-road traffic volume, visibility conditions.

- Elimination of all these Level Crossings is a gigantic task and involves lot of manpower, resources and budgetary support. It is a continuous process and is done as per need, inter-se priority of works, availability of funds.

86. On being asked, it has been informed that during 2012-13 (upto Feb'2013) 385 unmanned gates have been manned. Further, upto Feb'2013 there are 441 unmanned level crossings where infrastructure is ready for manning but could not be manned for want of sanctioned post of gateman/manpower. These level crossings will be manned in phases based on the availability of sanction post gateman/manpower.

87. In reply to a specific query, it has been stated that Ministry of Railway has taken a policy decision for not providing, any new level crossing either on existing Railways or on new lines to be commissioned henceforth. Hon'ble MR during his Budget Speech 2013-14 has laid maximum emphasis on safety and made the following commitment in the Parliament as under:

> Para 15*(i)* "***elimination of 10,797 level crossings during the 12th Plan and not adding any new LC to the IR system henceforth***."

Augmentation of Train Services

88. The Committee have observed that after announcement of the train services in the budget 2012-13, out of 175 trains announced, 131 trains have been started/implemented so far.

89. On being asked about the progress with respect to remaining 45 train services announced during 2012-13, it has been informed that 27 are ready for implementation. The remaining 18 services, which are awaiting implementation owing to constraints like sanction of the Commissioner for Railway Safety, gauge conversion work, completion of new line and availability of rolling stock, would be introduced in due course of time once the constraints are overcome.

90. The Committee have observed that in the Railway Budget 2013-14, 187 new services(new services, extensions and increase in frequency of trains) have been announced. The trains which were announced in the Railway Budget 2012-13 but awaiting implementation are not included in the new train services announced in the Railway Budget 2013-14.

Passenger Amenities

91. The Hon'ble Minister of Railways in his Budget Speech stated as under:

> *"The widespread disappointment of the travelling public with the state of cleanliness and hygiene at stations and trains, bedrolls and catering has often been highlighted in this august House. As a frequent rail traveller, I have experienced this personally. Resource constraint cannot be a reason for substandard services and efforts need to be directed to providing reasonable quality of facilities to rail users. I am committed to bring about a marked change in the level of passenger amenities. It is my firm belief that Railways' efforts towards introducing new trains or extending the run or frequency of existing trains should not be at the cost of amenities for passengers and safety….."*

92. The Committee have observed from the material furnished to the Committee that during 2012-13 under Plan Head 'Passenger Amenities' BE and RE was Rs. 1101.95 crore and Rs. 967.56 crore respectively. However, the expenditure up to Feb, 2013 has been Rs. 730.36 crore. It has been stated that full funds are likely to be utilized during 2012-13.

93. On being enquired, the information regarding the achievements in respect of each of the projects under the Plan Head 'Passenger Amenities' are given as under:

S.No.	Name of Developmental scheme	Targets for completion during 2012-13	Achievements during 2012-13 (upto Feb, 2013)
1	Model station	62	40
2	Modern station	36	17
3	Adarsh station	296	253
4	World class stations	0	0
5	Multi Functional complexes (MFCs)	35	17*

*Construction work completed.

94. It has further been informed that some more Model, Modern and Adarsh stations are likely to be completed during March, 2013. Stations development under these schemes is a continuous process, subject to availability of funds. Further, the targets fixed during 2013-14 are given as under:

S.No.	Name of Developmental scheme	Targets for completion during 2013-14
1	Model station	22**
2	Modern station	19**
3	Adarsh station	***
4	World class stations	Nil
5	Multi Functional complexes (MFCs)	16#

** Spill over stations of 2012-13. With this, all stations under these two schemes will be completed.

***The guidelines for Adarsh station are under revision. The targets shall be determined after finalization and approval of guidelines by Board.

The targets are for construction of MFC buildings.

It has been stated that development of projects under above schemes is a continuous process, subject to availability of funds. Zonal Railways are being asked to make all out efforts to achieve the targets.

95. The Committee have observed that an allocation of Rs. 1200 crore made during 2013-14 for passenger amenities, The amount would be utilised for upgradation of Passenger Amenities including provision of lifts, escalators and development of stations under various schemes such as 'Model',' Modern' and 'Adarsh' stations scheme.

RECOMMENDATIONS/OBSERVATIONS

11th Plan Performance

The Committee note that the 11th Five Year Plan targeted at Rs. 2,33,289 crore with Gross Budgetary Support (GBS) of Rs. 63,635 crore, Internal Resources of Rs. 90,000 crore and Extra Budgetary Support (EBS) of Rs. 79,654 crore has fallen short of the target by Rs. 42,449 crore at Rs. 1,90,840 crore. Internal generation of resources and Extra Budgetary Resources remained the major areas of shortfall. Against the target of Rs.90,000 crore for internal resources and the target of Rs. 79,654 crore of EBS, the Ministry could raise only Rs.66,704 and Rs.48,504 crore leaving a shortfall of Rs.23,296 crore and Rs.31,154 crore, respectively. This speaks poorly about the performance of the Ministry of Railways during the 11th Five Year Plan. The Committee desire the Ministry of Railways to ensure that targets fixed during the 12th Plan are optimally achieved.

2. Though the Committee understand that the extra burden of the 6th Central Pay Commission of over Rs.70,000/- crore on the Ministry have led to a shortfall in internal generation of resources during the 11th Plan, they are not convinced by the oft repeated reason adduced by the Ministry like non-realisation of freight loading targets due to slow down in the growth of core sectors of the economy as these factors were well anticipated. The Committee fail to understand that when the same problem is faced year after year, what stops the Railways from taking corrective steps. It clearly

shows that there is lack of foresight on the part of the Railways in anticipating the impending road blocks. The Committee, therefore, urge the Ministry to take some effective measures so that their targets in respect of freight loading are realised.

3. The Committee find from the details regarding growth of railway freight loading and the Index of Industrial Production (IIP) indices for the core sector on which the Railway freight loading is primarily dependent, that during the 11th plan, in most of the core sector commodities, the loading by Railways has been at par or higher than the growth of the sector per se as reflected by the IIP figures. During 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12, the core sector growth in percentage via-a-vis growth in railway freight loading was 5.2 percent and 8.98 percent, 2.8 percent and 4.92 percent, 6.6 percent and 6.56 percent, 6.6 percent and 3.77 percent and 4.4 percent and 5.24 percent, respectively. Evidently, there is ample scope for growth in railway loading despite no growth or negative growth in the core sector. The Committee, therefore, strongly recommend the Ministry to pay their utmost attention in this direction and take every possible measure to enhance railway freight loading.

4. The Committee observe that with a view to increasing the Railway's share in transportation of non-conventional traffic in high capacity and special purpose wagons, thereby increasing commodity base of Rail traffic, a policy

on Special Freight Train Operator Scheme (SFTO) was launched on 31.05.2010. Only one firm has been registered under this scheme so far. Further, with a view to increasing Railway's share in transportation of Automobile Traffic, a policy on Automobile Freight Train Operator (AFTO) Scheme was initially issued on 19.07.2010 and further revised during 2013. Two firms have applied for registration under AFTO policy along with an initial application fee. Further, the Liberalized Wagon Investment Scheme (LWIS), a policy issued on 15.04.2008, allows investment by End users, viz. producers, manufacturers and consumers of goods in Special Purpose Wagons (SPW) and High Capacity Wagons (HCW). Further, revised policy guidelines on LWIS were issued on 02.01.2012. So far, approval for procurement of 54 rakes by 10 firms, has been accorded to various customers by Ministry of Railways, out of which 14 rakes have been procured/ inducted and are running on the system. The investment is approximately to the tune of Rs. 333 crore. The Committee observe that the progress in respect of SFTO, AFTO and LWIS has been tardy which needs to be urgently addressed. The Committee urge the Ministry to explore ways and means to increase Railway's share in non-core sector to bridge the gap in earnings due to the slow down in the core sector of the economy.

5. The Committee are not convinced by the reason adduced by the Ministry for shortfall in Extra Budgetary Resources(EBS) during the 11th Plan in terms of non-realisation of Public Private Partnership(PPP). The Committee note with disappointment the manner in which the Ministry have failed to realise

the targets for PPP year after year. The Committee recommend that the Ministry should take concrete steps to ensure that the achievements in respect of PPP projects do not lag behind the targets by making the projects viable.

6. The Committee are happy to note that the Ministry have been able to achieve the original targets in respect of New Lines, Electrification and Wagons during the 11th Plan. Against the original targets of 2,000 km of New Lines, 3500 km of Electrification and 62,000 Wagons, the achievement was 2,207 km, 4,556 km and 63481, respectively. At the same time, they are constrained to observe that the Ministry could not achieve the original targets in respect of projects for gauge conversion, doubling, production of coaches and locos. Further, it is a matter of concern that in respect of Gauge Conversion and Coach production, even the lower targets fixed at Mid Term Review of the 11th Plan could not be achieved. Against the original and revised target of 10,000 km and 6000 km of gauge conversion, respectively, the achievement was 5,321 km. Similarly, against the original and revised target of 22,500 and 19,638, only 17,085 coaches could be produced. The reasons for poor performance and shortfall in case of gauge conversion projects is stated to be shifting of emphasis on to New Line and Doubling projects to provide rail connectivity to remote areas and to decongest the system through doubling; this is not at all convincing as gauge conversion projects can by no means be considered of less

importance in view of capacity addition on the railway system. Further, the reasons cited for shortfall in coach production like less acquisition from sources other than production units of Railways and capacity constraints in some of the production units are not acceptable to the Committee. The reduced production of coaches should be a matter of serious concern which requires to be looked into. The Committee, therefore, earnestly desire that with a view to meeting the increasing demand of coaches, suitable corrective measures should be taken without any further delay.

7. The Committee are informed that non-availability of sufficient funds during the 11th Plan has also affected work in various other Plan heads like bridges, track renewals, signalling and telecom and Metropolitan works. Physical targets for these works are reviewed on year to year basis in Annual Plans based on the availability of funds. Against the targeted outlay of Rs.3,400 crore for Bridge works, Rs 21,405 crore for Track Renewals, Rs.9,900 crore for Signalling & Telecom and Rs 4,450 crore for Metropolitan Projects, the actual outlay was Rs 1,875 crore, Rs 15,618 crore, Rs 5,567 crore and Rs 3,179 crore, respectively. Further, against the targeted outlay of Rs. 21,188/- crore for new lines, Rs, 17,300/- crore for gauge conversion and Rs. 16,000/- crore for doubling, the actual allotment has been Rs. 20,045 crore, 14,703 crore and Rs. 10,240 crore only and this has impacted the physical progress of doubling and gauge conversion work, besides the impact on modernization and technology upgradation. The Committee express serious concern at downsizing the 11th Plan outlay

under various Plan heads. The Committee feel that the proposed outlays which have been assessed by the Ministry as necessary to ensure the required pace of development of a project should not be curtailed as the reduction in the proposed outlays results in delays in implementation and postponement of important projects of Railways.

8. The Committee find that during the 12th Plan the target for internal resource mobilisation is Rs.1,05,000/- crore and that of EBR is Rs.2,20,000/- crore (bonds – Rs.1,20,000/- crore & PPP – Rs.1,00,000/- crore). The Ministry of Railways have taken several measures to avoid shortfalls in the 12th Plan; viz. Fuel Adjustment Component (FAC) linked revision of freight tariff has been proposed to compensate for the fuel cost increase, passenger fares have been raised to cover some of the losses in the passenger segment; tight control over expenditure would be exercised to enable higher internal generation, procurement of rolling stock has been planned during the 12th Plan through IRFC (Indian Railways Finance Corporation); and the targets for raising funds through bonds would be met. The Public Private Partnership (PPP) options are also being actively explored in many areas as spelt out in the 12th Plan Document. As submitted, the actual realisation of internal generation would depend on the growth of the core sectors of the economy. Further, a new Policy notified in December, 2012 is expected to help in generating private investment for rail connectivity projects. The Committee, however, feel that

concerted efforts on the part of the Ministry of Railways are warranted so that all measures taken by them meet the desired end.

Strategies for 12th Five Year Plan(2012-17)

9. The Committee note that the Ministry of Railways had proposed Rs. 7.35 lakh crore for the 12th Plan in order to address capacity bottlenecks and investment in modernization and safety so that the Railways are able to provide satisfactory services to the passengers. However, this outlay has been reduced to Rs. 5.19 lakh crore with Gross Budgetary Support(GBS) of Rs. 1.94 lakh crore, internal generation of resources of Rs. 1.05 lakh crore and Extra Budgetary Resources of Rs. 2.20 lakh crore. The Ministry had sought GBS of Rs. 3,16,842 crore for meeting the stipulated 12th Plan targets but the same has been reduced to Rs. 1,94,221 crore. The Committee are perturbed at the drastic reduction in GBS. They are constrained to note that after meeting the requirement of Rs. 80,000/- crore for Dedicated Freight Corridors and National Project commitment of Rs. 30,000/- crore the Ministry will be left with only Rs. 84,221/- crore which is marginally higher than the 11th Plan GBS of Rs 77,039 crore. Undoubtedly, such drastic reduction in the proposed outlay would result in thinly spreading of funds over various railway projects. The Committee apprehend that such reduction would lead to substantial shortfall in targets for important railway projects.

10. The Committee are informed that the reduced plan size would adversely impact the New Lines, Doubling and Gauge Conversion works. With the reduced GBS, 1,392 km of New Lines, including 200 km of National Project, 2,000 km of gauge conversion, including 990 km of National Project, 4,633 km of doubling and 6,500 km of electrification can be achieved, whereas the Planning Commission has kept the targets of 4,000 km of New Lines, 5,500 km of gauge conversion and 7,653 km of doubling, respectively. Track renewal would also get affected due to reduced Plan size and therefore prioritization of works will be done keeping in mind the condition of track as per availability of funds, for safe train operations. The Committee express their serious concern at downsizing the Plan outlay resulting in downward revision of physical targets which is likely to compromise with the safety of Railways in the times to come, besides causing immense hindrance in the progress of Railways.

11. The Committee are further informed that the Sam Pitroda and Anil Kakodkar Committees on modernization and safety, respectively have projected total requirement during the 12th Plan at Rs 5,60,000 crore & Rs 1,00,000 crore, respectively; as such, the implementation of their recommendations would also be adversely affected due to shortage of funds. It is imperative that the Planning Commission while fixing ambitious targets for Railway projects should also allocate funds of the required level to execute them. The Committee stress that important railway projects

should not be starved of funds and the 12th Plan outlay requires to be suitably stepped up in consonance with the needs of the Ministry.

12. The Committee find that a number of meetings of the Ministry of Railways were held with the Planning Commission with regard to the Plan size of the 12th Five Year Plan; however, no minutes of the meetings were issued. The Committee take a serious note of it and direct that the Ministry of Railways should pursue the matter with the Planning Commission as minutes form an integral part of the process of planning. They would like to be apprised of the progress in this regard.

13. The Committee learn that the 12th Plan emphasizes on achieving a gender equal Railway Transport System, thereby according the highest priority to women's safety and security. The Railways would be providing more coaches for ladies and better security for them in trains. Ladies special trains are also being run on the suburban system. Provision of toilets exclusively for ladies and special ladies waiting rooms at stations are also being made. While commending these steps, the Committee would like the Ministry to ensure that these plans are implemented in letter and spirit. Adequate publicity should also be made through print and electronic media regarding such provisions. Foolproof security arrangements should be ensured for the safety of women. There should be clear marking of such coaches, suitable placement of these coaches and proper display of signage

regarding stoppages of such coaches at the platforms. The Railways should also ensure that all platforms are well lit during night time.

<u>Projects of National importance</u>

14. The Committee are distressed to note that the Railways have not been able to cover major areas in many States and has very little presence in the North-East States and the Himalayan region. The Committee are apprised that Railways would be completing 1,392 km of new lines in the 12th Plan all across the country, including the Himalayan and North Eastern Region and only 63 km on Udhampur-Srinagar-Baramulla and Bogibeel rail cum road bridge are likely to be completed during the year 2012-13. Further, during 2013-14, a target of 500 km of new line completion includes the Udhampur-Katra section in Jammu & Kashmir and the remaining portion of Harmuti-Naharlagun project providing connectivity to the Capital of Arunachal Pradesh and the balance portion of Dudhnoi-Mehendipathar providing connectivity to Capital of Meghalaya. As informed, only 25 km section on National Projects of Jammu and Kashmir would be completed. Out of the total allocation of Rs. 6,100 crore for new line projects in 2013-14, Rs. 2,200 crore have been provided for National Projects in Jammu & Kashmir and the North Eastern Region. In view of the limited presence of the railway system in the North-Eastern States and the Himalayan regions, the Committee are of the strong opinion that people of these areas should no more be deprived of the benefits of rail services for

reasons of resource crunch. The Ministry, while realising the need and importance of such projects, should take up the matter for enhancing the GBS particularly for National Projects with the Planning Commission and the Ministry of Finance at the highest level to make the budgetary exercise more meaningful.

15. The Committee further note that the Railways have sent a proposal to the Prime Minister's Office (PMO) to declare two new line projects of Himachal Pradesh namely Nangal Dam–Talwara and Bhanupall-Bilaspur-Beri as National Projects. However, the PMO has not agreed so far and has directed to complete the Nangal Dam – Talwara project on priority. Further, CCEA Note has already been sent for Inter-ministerial consultations for sanctioning 4 projects, viz. Bilaspur-Manali-Leh, Jammu-Poonch via Akhnoor, Tanakpur-Bageshwar and Parsuramkund-Rupai new lines, as National projects and the proposals are in the consultation stage. Keeping in mind the imperative to execute these projects on a priority basis, the Committee urge the Ministry to vigorously pursue the matter and inform them of the progress made in this regard from time to time. The Committee also stress the fact that the requirements of the North Eastern States should be given special attention by the Indian Railways. Therefore, coordinated steps should be taken so that the North East is far better connected with the rest of India in a time bound manner. To achieve this objective, doubling, New Lines, Gauge Conversion, Signalling and electrification in the North East States should be taken up on priority basis.

Throw-Forward of railway infrastructure projects

16. The Committee are deeply concerned to note that the sanctioning of new projects annually by the Ministry, much beyond the resources available, has resulted in increment of the throw-forward of railway infrastructure projects. As on 1 April, 2012 there are throw-forward of 132 new line, 42 gauge conversion, 174 doubling, 39 electrification and 2 dedicated freight corridors projects. In financial terms there is throw-forward of Rs. 89,792 crore for new line, Rs. 18659 crore for gauge conversion, Rs.38766 crore for doubling, Rs. 6,229 crore for electrification and Rs.93,860 crore for dedicated freight corridors project. The Committee fail to understand as to why new projects are announced every year despite such a high level of throw-forward. They feel that these projects are vital towards ensuring the economic growth of the country and recommend that the Ministry should give serious consideration for speedy execution of these projects.

17. The Committee are concerned to note from the detailed break-up of throw forward of projects sanctioned that there are as many as 88 railway projects which were sanctioned more 10 years ago and some of them were sanctioned even 20 years ago and are still in the limbo and lying incomplete. The Committee further note to their dismay that among these 88 projects, there is one new line project each which was included in the budget way back in 1974-75, 1981-82, 1983-84, 1984-85, 1985-86 and

1987-88. It is a matter of grave concern and reflect poorly on the working of Railways. Besides cost over-run in the projects spilling over for longer period of time due to delayed completion, the Committee also wonder about the utility of several of these projects. Hence, a proper review at the highest level in the Ministry is desirable whereafter decision to continue with these projects be taken accordingly.

18. The Committee are deeply concerned to note that the Railways have got a large shelf of sanctioned projects and the throw-forward for New Line, Gauge Conversion and Doubling projects is Rs.1.47 lakh crore. Most of the projects under these Plan-heads are allocated funds from Gross Budgetary Support (GBS) that is given by the Central Government as internal generation which is inadequate to meet the demand. World over, Railways are supported by the Governments because it is a very capital intensive industry which requires massive infrastructure and yields low return on Investment. The Committee desire that Government should also make sufficient budgetary allocations for railway projects which are capital intensive specially keeping in view the large shelf of railway throw-forward projects which may loose their importance with the passage of time. The matter of insufficient allocations of funds for years together should be looked into with all the seriousness it deserves.

19. The Committee are informed that on the suggestion of the Planning Commission and Ministry of Finance, Railways have firmed up priority list of ongoing projects in which National Projects and cost sharing projects have

been given the highest priority and categorised as A-1 and A-2. Category A-3 are high priority projects from the Railways' point of view, Category B are other projects and category C are projects where no progress has been made so far. Priority of project has been given due consideration while fixing allocation of funds during 2013-14. The aim behind this categorization is stated to be identification of important projects having potential to increase throughput and revenue earnings, to avoid thin spread of resources thereby ensuring timely completion of works. The Committee are of the opinion that this is an area which requires the Ministry's serious consideration. The Committee find some satisfaction that of late the Ministry have analysed its weaknesses and remedial steps are being taken so that long awaited projects can be completed at the earliest and put to the services of the nation.

20. The Committee note that the Ministry of Railways have been getting lesser allocation of funds every year for their projects. During 2011-12, 2012-13 and 2013-14, they proposed allocations of Rs. 41,686 crore, Rs 48,855 crore and Rs.39,500 crore respectively. However, the actual allocation was Rs. 21,824 crore, Rs. 26,317 crore and Rs. 27,102 crore respectively. They further note that in view of the lower allocation of funds the Ministry have prioritised the projects which are actually required from the point of view of capacity generation and 'de-bottlenecking' of the railway system and for those projects they are trying to allocate funds so that at least they are completed. The Committee earnestly desire that the

Ministry should set up an effective monitoring mechanism to ensure that not only the high priority projects but other projects also are completed in time.

21. The Committee are surprised to find that the progress of the projects which are pending for a long period of time also depend on factors like forest clearance, land acquisition, law and order problems, etc. The Committee do not approve the oft repeated reasons as stated above for slow progress in case of projects pending for years. Therefore, the Committee recommend that the Ministry should earnestly review its performance and identify the factors responsible for non-performance. Accordingly, immediate corrective measures should be taken in a time bound manner.

22. The Committee observe that there are 151 projects having throw-forward which are kept in "A" category, i.e on high priority list. An allocation of Rs. 3,474 crore has been made for 170 "B" category, i.e. Medium Priority New Line, Gauge Conversion, Doubling and electrification projects for the year 2013-14 and allocation of Rs. 730 crore has been made for 62 projects for "C" category i.e. Low Priority ones. Rest of the projects are given funds as per availability and their progress will depend upon funds allocated. The Committee note to their satisfaction that the Ministry have taken a few measures recently in order to give a boost to internal generation, viz. recent hike in freight rates, increase in rail fares

and introduction of fuel adjustment component. Besides, Railways is going for Market Borrowings to the tune of Rs.15,000 crore in 2013-14 and expect mobilization of Rs.6,000 crore through PPP. The requisite policy has already been floated to attract private capital for rail infrastructure. However, it will be appreciated if more funds are made available and maximum numbers of projects are completed in the targeted time. The Planning Commission should be prevailed upon for higher GBS by taking up the matter at the highest level keeping in view numerous railway projects having throw-forward.

23. The Committee learn that as per the new policy for starting a new Rail project with State Government's assistance, all the projects should be approved by the Planning Commission. The Planning Commission has now legislated that the State Government concerned should give land free of cost and also share 50 per cent of the cost of the project. The Committee agree that with land free of cost and sharing of cost, rate of return of projects improves and projects become more viable and the possibility of sanction improves. However, they are concerned over the fate of those projects which are pending since long and also for the States in poor financial condition which are not in a position to provide land free of cost or share 50 percent of the cost. Hence, the Committee desire the Ministry to review the norms in this regard in consultation with the Planning Commission so that the financial health of the State is also taken into account while taking a decision in this regard.

Public Private Partnership (PPP)

24. The Committee observe that as on date, the investments in Railways through PPP have been extremely small. Private investment mobilisation in the 11th Plan is likely to be to the tune of 4 percent of the Plan Outlay, which is far less if compared to the Private Capital share in other sectors like Ports-80 percent, telecom 82 percent, Electricity 44 percent, Airports 64 percent and Roads 16 percent. The Planning Commission in its review have observed that investment in Railways can be stepped up with the help of PPP. The Committee share their view that projects related to rolling stock manufacturing units, multifunctional complexes, logistics parks, private freight terminals, freight train operators, liberalised wagons investment schemes, Dedicated Freight Corridors and also New Railway Lines which are in the pipeline and need to be speedily executed in the 12th Plan offer excellent opportunities for private investment. The Ministry of Railways have admitted that given the limited resources and large competing demands for capacity augmentation, connectivity, improved services, etc. Indian Railways would need to mobilise more resources from the private sector. The Committee recommend that the Ministry should pay focused attention in this direction so that adequate resources are generated by the Ministry for its on-going and also future projects. However, the Committee would like to caution that the capacity of existing

Production Units should also be fully exploited before considering the PPP model.

25. The Committee learn that the Ministry of Railways have recently announced a new policy to encourage private participation in building rail connectivity and capacity augmentation, in supersession of the earlier R3i and R2Ci policies. The new policy offers 5 models for private participation – (i) Non-Government Private Line model, (ii) Joint Venture Model, (iii) Build Own & Transfer model, (iv) Capacity Augmentation through funding by Customer and (v) Capacity Augmentation through competitive bidding and annuity. Investments for port and large mines connectivity is expected during the 12th Plan period. With the new policies on Private Freight Terminals (PFT), Automobile Freight Train Operator Scheme (AFTO) and Special Wagon Leasing Scheme, private investment particularly by stakeholders is proposed to be garnered. Also for development of stations through PPP, the Indian Railway Station Development Corporation Limited (IRDC) has been set up. The Committee trust that with the new policies in place, the Ministry of Railways would optimally achieve the target of Rs. One lakh crore to attract investments through PPP during the 12th Plan.

Performance during 2012-13 and Annual Plan 2013-14

26. The Committee note with concern that the Railways have not achieved the target for revenue receipt during 2012-13. BE of Rs. 1,35,693.89 crore has been revised downward to Rs. 1,28,202.23 crore at

RE stage. Therefore, there is an expected shortfall of Rs. 7,491.66 crore. The Committee thus find that the Ministry is lagging behind the targets for revenue receipt which clearly indicate that either unrealistic projections were made in this regard or the Ministry have not made concerted efforts to actualise the accruals during the financial year. The various factors, as stated by the Ministry being responsible for the expected decline in net revenue are downward revision of earnings targets in passenger and goods segment by Rs. 6,867 crore partly due to roll back of passenger fare increase and in keeping with the trend of loading and earnings to end of December 2012. Besides, a likely increase in the pension expenditure by Rs. 1,500 crore is also stated to be a contributory factor. The Committee desire that the factors already identified and anticipated for the decrease in revenue receipt should be looked into with all seriousness and remedial measures should be taken to contain the shortfall.

27. The Committee note that the Ministry have kept a comparatively lower target for net revenue of Rs. 19,396.00 crore during 2013-14 as compared to the BE of Rs. 22,233.07 crore during 2012-13. The Committee suggest that the Ministry should closely monitor the revenue receipt on a monthly basis in order to ensure optimal achievement of targets fixed at the BE stage during the financial year 2013-14.

28. The Committee note the targeted annual expenditure of Rs.1,13,460.82 crore is likely to decline by Rs. 1,007.5 crore to Rs.

1,12,453.32 crore at RE. While this is commendable, they fail to appreciate that BE for total expenditure during 2013-14 has been kept at Rs.1,27,230.00 crore which is an increase of Rs. 13,769.18 crore as compared to BE of Rs. 1,13,460.82 crore during 2012-13. The reasons cited by the Ministry for the proposed increase are that the revenue expenditure comprises Ordinary Working Expenses, appropriation to both Pension Fund and Depreciation Reserve Fund and miscellaneous expenditure. This has been increased during 2013-14 representing a growth of around 12 percent. The Committee are not convinced by the reasons cited by the Ministry that the increase has been provided primarily to cater to higher salaries, DA and other staff cost, fuel for traction, material procurement, contractual payments, lease payments, higher pension and safety related expenditure. In their view, all these expenditures are being confronted by the Ministry each and every year. The Committee, therefore expect the Ministry to monitor the expenditure being incurred under different heads and exercise control over the total expenditure to the extent possible.

29. The Committee observe that the Ministry of Railways have proposed a plan investment of Rs. 63,363 crore for 2013-14 to be financed through GBS of Rs. 26,000 crore, Railways share of Road Safety Fund of Rs. 2,000 crore, internal resources of Rs. 14,260 crore, market borrowings of Rs. 15,103 crore and an expected mobilization of Rs. 6,000 crore through PPP route. The thrust of the Plan is on doubling of tracks, safety and passenger and staff welfare for which outlay has been increased from about Rs.

11,409 crore in 2012-13 to Rs. 13,233 crore in 2013-14, an increase of 16 percent. The Committee further note that an allocation of Rs. 60,100 crore was made during 2012-13, which was, however, reduced to Rs. 52,265 crore at RE stage. The Committee hope that that timely steps would be taken by the Ministry to remove the bottlenecks to ensure optimum utilization of funds during 2013-14 so that benefits reach the nation in the given time frame.

30. The Committee further note that during 2012-13, the major area of shortfall had been on account of the internal generation of resources, where against the target of Rs. 18,050 crore, the Ministry could generate only Rs. 9,950 crore. Hence there is a shortfall of Rs.8,100 crore which comes to 45 per cent. The reasons for this huge shortfall are stated to be likely reduction in earnings by Rs. 6,867 crore consequent upon roll back of fare rationalization (Rs. 4,200 crore) proposed in Railway Budget 2012-13, reduction in the targeted originating passengers from 8,741 Million in BE to 8,640 Million in RE and freight loading from 1,025 MT in BE to 1,007 MT in RE and also likely increase in pension expenditure by Rs. 1,500 crore. The recurrence of the shortfalls in targets of originating passengers and freight loading have become regular areas of Ministry's non-performance. Once factors responsible for the decrease in targeted originating passengers and freight loading are known, there is no reason for the Ministry not to explore other possibilities of venturing into new areas of operations. Therefore, the

Committee desire the Ministry to make concerted efforts so that the financial health of the Ministry could be improved.

31. The Committee are constrained to note that against the 12th Five Year Plan targets, the likely achievements in the first year of the Plan is not up to the mark. In terms of percentage, for New Lines, the achievement is 11.75 percent, for Gauge Conversion 10.5 percent, for doubling 9.1 percent, for electrification 18.5 percent, for diesel locomotive 16.4 percent, for electric locomotive 15.0 percent, and for coaches 16.7 percent. The under-achievements are stated to be due to paucity of funds in undertaking infrastructure creation works besides slow progress due to delay in land availability, forestry clearances and contract failures. The Committee, while expressing their concern over the unsatisfactory performance during 2012-13 would recommend the Ministry to take immediate concrete measures to avoid procedural delays so that targets fixed for 2013-14 are fully achieved. The matter for allocation of insufficient fund may also be taken up at the RE stage.

32. The Committee note with satisfaction that the Ministry have taken certain steps in order to realise the target in respect of Internal resources of Rs. 14,260 crore in 2013-14 and of Rs. 1,05,000 crore in the 12th Plan. There is an incremental growth of 5.2 percent in passenger traffic and 3.9 percent in goods traffic, respectively over RE 2012-13, revision in the passenger fares w.e.f. 22.01.2013, the full year effect of about Rs. 6,600

crore of which will flow to the passenger earnings during 2013-14, revision of some passenger service charges and introduction of Fuel Adjustment Component(FAC) which will also help in mobilizing about Rs 4,200 crore. The Committee hope that as assured by the Ministry, the target for internal resources for the Annual Plan, 2013-14 would be optimally achieved.

33. The Committee are unhappy to note that during 2013-14, the Ministry of Railways have not been allocated the funds as proposed by them for their important projects. Against the proposed allocations of Rs. 8,523 crore for New Line(PH-11), Rs. 2,391 crore for Gauge Conversion (PH-14), Rs. 6,256 crore for Doubling (PH-15), Rs. 1,365 crore for Traffic Facility (PH-16), Rs. 946 crore for S & T (PH-33), Rs. 1038 crore for RE (PH-35), Rs. 2202 crore for Workshop (PH-42), Rs. 19,730 crore for Rolling Stock (PH-21), the actual allocation made by the Planning Commission has been to the tune of Rs. 6,654 crore, Rs. 2,235 crore, Rs.3,278 crore, Rs. 946 crore, Rs. 1,107 crore, Rs. 1,005 crore, Rs. 2,104 crore and Rs. 17,934 crore respectively. As stated, the Railways would not be able to achieve the desired physical targets due to inadequate allocation to the tune of Rs.7,152 crore and the shortfall can only be met through additional GBS. The Committee take a serious view of frequent downsizing of allocations proposed for the important railway projects which had been projected for required pace of their implementation. In no case, financial constraints

should be allowed to bring down the physical projections. Otherwise, it will have a crippling effect on the functioning of the Railways.

<u>Fixed Infrastructure Creation</u>

<u>New Lines Construction</u>

34. The Committee regret to note that during 2012-13, against the target of 700 route km of new lines, only 470 route km of new line are likely to be completed. The reason for the same is stated to be that RE of Rs. 5945 crore for new line included Rs. 1,500 crore for Dedicated Freight Corridor. Again, out of Rs. 4,445 crore, Rs. 2,185 crore were provided for new line National Projects. The Committee are surprised to learn that only 63 km on Udhampur-Srinagar-Baramulla and Bogibeel rail cum road bridge will be completed during the year. Further, with the remaining funds the Ministry could complete projects of 470 km length. The Committee express their deep concern at the tardy progress in respect of the new line projects. The Committee are of the view that fixing the targets serve no purpose, if serious and dedicated efforts are not made to achieve them.

35. The Committee are disheartened to observe that a still lower target to complete only 500 km of new line has been fixed during 2013-14. The reason advanced by the Ministry for the same is that there is inadequate availability of funds and huge investment is required for national projects. As informed, for 156 new line projects as on 01.04.2013, the Ministry have been allocated only Rs. 4,600 crore, out of which Rs. 2,200 crore have been

allocated for the National projects. With the meager allocation of funds for new line projects, the Committee can easily visualise the fate of the New Line projects which are of great significance in the Railway system. The Committee, therefore, urge the Ministry of Railways to project their demands of required funds in a more convincing manner before the Planning Commission and Ministry of Finance at the highest level so that their important schemes are not starved of funds and get adequate allocations at RE state.

Doubling

36. The Committee are glad to note that the Ministry have been able to complete the targets fixed for doubling during 2012-13. Against the target of 700 route km for doubling, the likely achievement is 705 route km. As informed, focus was on completion of doubling and priority was given to projects which are in advanced stages and can be completed with lesser investment. The Committee hope that this trend would continue uninterrupted in future years also.

Gauge Conversion

37. The Committee are concerned to note that against the target of 800 km for gauge conversion, the likely achievement is only 575 km. As stated, although financial allocation of gauge conversion has been enhanced from Rs. 2,270 crore to Rs. 2,647 crore, targets had to be reduced mainly due to

the fact that substantial outlay of Rs. 940 crore was provided for the strategic National Project of Rangia-Murkongselek and Lumding-Silchar but only 154 km section is getting completed. Similarly, during 2013-14, total outlay of Rs. 2,125 crore to complete 450 km of gauge conversion includes Rs. 800 crore for two National Projects. Both the National Projects of the North Eastern Region are capital intensive but only 173 km section is getting completed in 2013-14. The Committee apprehend that lower targets for new lines as well as gauge conversion during 2013-14 would seriously affect the adding capacity of the railway system. The Committee find that no lesson has been learnt from the failure to achieve the targets in the past due to shortage of funds. The Committee hope that additional funds through GBS would be provided at RE stage so that important schemes of Railways like new line and gauge conversion do not suffer due to resource crunch.

<u>Railway Electrification</u>

38. The Committee are unhappy to note that as on 31.03.2012, the total electrified route km is only 22,224, out of the total 64,600 railway route km. However, the Committee note that though the percentage share of Railway Electrification in the total Plan outlay has been going down due to increase in the total Plan size of Indian Railways, there is no constraint in meeting the targets laid down. A target of 6,500 route km of rail electrification has been

proposed during 12th Plan. Taking into account the fact that 65.60 percent of goods traffic and 50.40 percent of coaching traffic are hauled by electric traction and 34.40 percent of goods traffic and 44.60 percent of coaching traffic are hauled by diesel traction, while the fuel expenses on electric traction (goods+coaching) is only 38.70 percent and fuel expenses on diesel traction (goods+coaching) is 61.30 percent and also in view of increase in the diesel prices, the Committee are of the strong opinion that there is an urgent need to lay more emphasis on rail electrification and to enhance the targets for rail electrification accordingly.

Rolling stock capacity augmentation

39. The Committee learn that the total requirements of coaches, diesel locos, electric locos and wagons are 33,066, 2,000, 2,010 and 1,05,659, respectively during the 12th Five Year Plan. Further, the anticipated achievements are 24,000, 2,000, 2,010 and 1,05,659, respectively. Hence, the anticipated achievement in respect of coaches is 9,066 less than the requirement. Undoubtedly, it is a matter of concern to the Committee which is required to be looked into.

40. The Committee note that during 2012-13, against the target of 630 locos, 3,816 coaches and 16,894 wagons, the expected achievement is 630, 4,000 and 16,000 respectively. The Committee are happy to note that in respect of coaches, the achievement has exceeded the target as against the target of 3816, 4000 coaches have been produced. Further, during 2013-14,

the target of 680 locos, 16,000 wagons and 4,130 coaches have been fixed. However, the Committee apprehend that with the present pace, the 12th Plan targets for rolling stock will not be achieved. Therefore, the Ministry should strive to keep higher targets every year in view of the quantum need of the rolling stock in Railways.

41. The Committee have been apprised about the steps being taken to enhance the production of coaches to meet the requirement of coaches: Production capacity of Integral Coach Factory(ICF) is being augmented from 1,500 coaches to 1,700 coaches per annum, a new Rail Coach Factory at Rae-Bareli has started production of coaches, Diesel Multiple Unit (DMU) coach factory at Haldia is also in the final stages of turning out coaches. Also newly sanctioned coach factories such as Kanchrapara and Palakkad, are in different stages of implementation and some greenfield factories have been announced at Kolar, Kutch, Sonepat and Bhilwara. Besides, capacity augmentation of existing units is also under consideration. The Committee hope that with all the above steps being taken by the Ministry, the Railways' requirements of coaches would be met adequately.

<u>Road Over Bridges(ROBs)/Road Under Bridges(RUBs)</u>

42. The Committee are distressed to note the tardy progress in respect of ROBs/RUBs during 2012-13. Against the work sanctioned to construct 379 ROBs/RUBs on cost sharing basis, only 90 could be completed upto 31 March, 2013. It is pertinent to mention here that since 2003-04, the

achievement in respect of ROBs/RUBs has always been far below the targets. The reasons for under-achievement of targets are late sanction of corresponding work in the State Budget, inadequate fund allocation by the State Government, non-submission of General Arrangement Drawing (GAD) & estimate by the State Govt., frequent changes in alignment of approaches, late finalisation of tender for the work of approaches, non-availability of encumbrance free land for construction of approaches, not providing undertaking to maintain road and drainage in future for RUBs and delay in providing consent of closure of level crossings. The Committee are not at all impressed by the statement made by the Ministry that these problems faced by them are beyond their control. The Committee are sure that since these problems are not new to the Ministry and are being faced by them every year, then why no concrete action is being taken to resolve the same. The Committee, therefore, urge the Ministry of Railways to give a serious thought to resolve these problems.

43. The Committee are informed that 238 ROBs and 1,843 RUBs have been sanctioned in Railway Works Programme 2013-14 on cost sharing basis/Railway cost. They note with some satisfaction that the Ministry of Railways have been taking certain measures to resolve the various interface issues with different stake holders like joint survey with all concerned including State Governments to finalise the tentative General Arrangement Drawing (GAD), circulation of check list and guidelines for

preparation of GAD to State Governments to avoid any back reference from Railway to State Governments, standardization of drawings for various spans to avoid delay in designing, nomination of nodal officer for single window clearance of GAD from Railway side, use of pre-cast/pre-fabricated components of the bridge and engaging single agency for construction of Railway Bridge as well as the approaches. The Committee hope that the Ministry would continue to strive to further take innovative measures and optimally achieve the target fixed for ROBs/RUBs during 2013-14.

44. The Committee note that the total requirement of funds for road safety works is Rs. 36,830 crore. Further, the average annual accrual in Road Safety funds is Rs. 1,050 crore. They are deeply concerned to note that with the existing level of allocation of about Rs.1,050 crore per annum, the expected completion period of works would be about 34 years. As informed, the Ministry of Railways is approaching the Ministry of Finance for additional allotment of funds from the Central Road Fund to execute the sanctioned work. The Committee earnestly desire that in case no favorable response is received within a reasonable period, the Ministry should pursue the matter vigorously. The Committee are hopeful that the Ministry of Finance will respond positively in this regard. Safety is a necessary mandate for running of trains; hence, it should not be compromised under any circumstances. The Committee would also like to be informed of the progress in the matter.

Level Crossing (LC)

45. The Committee note that 40 percent of consequential rail accidents and 60 percent of fatalities are accounted for by level crossings. They are further constrained to note that the Ministry of Railways have not been able to complete the work of level crossings targeted during 2012-13. Against the target for work relating to manning of 1,066 unmanned level crossings, 461 LC gates were manned upto March, 2013 and infrastructure are ready at 440 LCs gates which are awaiting manpower, hence there is a shortfall in respect of 165 LCs. This is not a satisfactory situation. As stated, 440 LCs awaiting manpower would be manned in phases on availability of sanctioned post of gateman/manpower. The Committee strongly desire that the infrastructure ready at these 440 LCs should not remain idle for want of staff. The Committee would like to be informed about the progress in respect of manning of these LCs.

46. The Committee further observe that in case of provision of lifting barrier at LCs, against a target of 200, work in respect of only 110 LCs have been completed upto 31 March, 2013. The reasons cited by the Ministry for the under-achievements during 2012-13 are denial by State Govt. for closure of level crossings and non-availability of encumbrance free land for construction of approaches in case of construction of RUB/Limited Height Subway(LHS). The Committee are of the view that such issues should have been taken into account at the planning stage itself.

47. The Committee note that the Hon'ble Minister of Railways during his budget speech made the commitment in Parliament with regard to elimination of 10,797 level crossings during the 12th Plan and not adding any new LC to the IR system henceforth. The Committee can understand that elimination of all about 10,797 level crossings would certainly be a gigantic task and would involve lot of manpower, resources and budgetary support. However, the Committee hope that the Ministry would strive to work towards zero accident situation and take vigorous and urgent action to realise the target as committed.

<u>Augmentation of Train Services</u>

48. The Committee observe that Ministry of Railways had announced 175 new train services during Rail Budget 2012-13, out of which, 18 train services are awaiting implementation owing to constraints like sanction of the Commissioner for Railway Safety, gauge conversion work, completion of new line and availability of rolling stock and they would be introduced in due course of time once the constraints are overcome. The Committee consider it to be lack of proper planning on the part of the Ministry. In their view all these factors should have been taken into consideration well in advance before a decision was taken to announce a new train service. Already, one year has passed and it is not sure how much time it will take to start the remaining 18 train services. The Committee urge the Ministry

that utmost care should be taken before making announcements for new train services.

Passenger Amenities

49. The Committee observe that Hon'ble Railway Minister in his Budget Speech highlighted the widespread disappointment of the travelling public with the state of cleaniness and hygiene at the stations and trains, bedrolls and caterings. The Minister further made a commitment to bring about a marked change in the level of passenger amenities. The Committee would like to stress that the highest level of cleaniness and hygiene should be maintained in all toilets in running trains, irrespective of the class. They trust that the Ministry will initiate all necessary steps in this direction, so that the commitment made by the Minister materializes and do not remain just a promise, irrespective of whatever constraints are being faced by the Railways so that rail passengers get at least the basic services which they deserve.

50. The Committee note that during 2012-13, Rs. 1,101.95 crore were allocated under Plan Head 'Passenger Amenities'; however the same was reduced to Rs. 967.56 crore at RE stage. Further, against the targets of 62 Model Stations, 36 Modern Stations, 296 Adarsh Stations and 35 Multi Functional Complexes, the achievement was 40 Model Stations, 17 Modern Stations, 253 Adarsh Stations and 17 Multi Functional Complexes in which Construction work completed. An allocation of Rs. 1,200 crore has been

made during 2013-14 to upgrade passenger amenities including provision of lifts, escalators, and development of stations under various schemes such as Model, Modern and Adarsh station scheme. As informed, the guidelines for Adarsh station are under revision and the targets shall be determined after finalization and approval of guidelines by the Railway Board. The Committee hope that the Ministry would make concerted efforts to fulfill the physical as well financial targets fixed under Plan Head 'Passenger Amenities'. They would further like to be furnished with the revised guidelines and also the targets fixed in respect of Adarsh Stations as soon as these are finalised.

NEW DELHI;
17 April, 2013
27 Vaisakha , 1935 (Saka)

T.R. BAALU
Chairman,
Standing Committee on Railways

APPENDIX – I

MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON RAILWAYS (2012-13)

The Committee sat on Thursday, the 21st March, 2013, at 0930 hrs. in Committee Room 'B', Parliament House, New Delhi.

PRESENT

SHRI T.R. BAALU - CHAIRMAN

MEMBERS

LOK SABHA

2. Shri Partap Singh Bajwa
3. Dr. Ram Chandra Dome
4. Smt. Maneka Gandhi
5. Shri Pralhad Joshi
6. Shri Bhaskar Rao Patil Khatgonkar
7. Shri Anand Prakash Paranjpe
8. Shri Rudra Madhab Ray
9. Smt. Satabdi Roy
10. Smt. Yashodhara Raje Scindia
11. Shri Ganesh Singh
12. Shri Lalji Tandon
13. Shri Harsh Vardhan

RAJYA SABHA

14. Shri Husain Dalwai
15. Shri Prabhat Jha
16. Shri Om Prakash Mathur
17. Dr. Barun Mukherji
18. Shri Tarini Kanta Roy
19. Shri Ishwar Singh

SECRETARIAT

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

REPRESENTATIVES OF THE MINISTRY OF RAILWAYS (RAILWAY BOARD)

1.	Shri Vinay Mittal	Chairman, Railway Board & Ex.-officio Secretary to the Government of India
2.	Smt. Vijaya Kanth	Financial Commissioner, Railway Board & Ex.-officio Secretary to the Government of India
3.	Shri Kul Bhushan	Member Electrical, Railway Board & Ex.-officio Secretary to the Government of India
4.	Shri K. K. Srivastava	Member Staff, Railway Board & Ex.- officio Secretary to the Government of India

2. At the outset, the Chairman welcomed the Chairman, Railway Board and other officials of the Ministry of Railways (Railway Board) accompanying him to the sitting of the Committee.

3. Thereafter, the Committee took oral evidence of the representatives of the Ministry of Railways (Railway Board) on various issues related to 'Demands for Grants – 2013-14 of the Ministry of Railways'.

4. The members sought clarification relating to the 'Demands for Grants – 2013-14 of the Ministry of Railways'. The representatives of the Ministry replied to the queries of the Members.

5. The evidence remained inconclusive.

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

The Committee then adjourned to meet again on 05.04.2013.

MINUTES OF THE EIGHTH SITTING OF THE STANDING COMMITTEE ON RAILWAYS (2012-13)

The Committee sat on Friday, the 5th April, 2013, at 1100 hrs. in Committee Room No. G-074, Parliament Library Building, New Delhi.

PRESENT

SHRI T.R. BAALU - CHAIRMAN

MEMBERS

LOK SABHA

2. Dr. Ram Chandra Dome
3. Shri Pralhad Joshi
4. Dr. Nirmal Khatri
5. Shri Surendra Singh Nagar
6. Shri Anand Prakash Paranjpe
7. Shri Rayapati Sambasiiva Rao
8. Shri Rudra Madhab Ray
9. Smt. Satabdi Roy
10. Shri Ganesh Singh
11. Shri Lalji Tandon
12. Shri Harsh Vardhan

RAJYA SABHA

13. Shri Husain Dalwai
14. Shri Prabhat Jha
15. Dr. Barun Mukherji
16. Shri Ambeth Rajan
17. Shri Tarini Kanta Roy
18. Shri Bashistha Narain Singh
19. Shri Ishwar Singh
20. Shri Nandi Yellaiah

SECRETARIAT

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

REPRESENTATIVES OF THE MINISTRY OF RAILWAYS (RAILWAY BOARD)*

1.	Shri Vinay Mittal	Chairman, Railway Board & Ex.-officio Secretary to the Government of India
2.	Smt. Vijaya Kanth	Financial Commissioner, Railway Board & Ex.-officio Secretary to the Government of India
3.	Shri Kul Bhushan	Member Electrical, Railway Board & Ex.-officio Secretary to the Government of India
4.	Shri Keshav Chandra	Member Mechanical, Railway Board & Ex.- officio Secretary to the Government of India
5.	Shri A. K. Vohra	Member Staff, Railway Board & Ex.- officio Secretary to the Government of India
6.	Shri K. K. Srivastava	Member Traffic, Railway Board & Ex.- officio Secretary to the Government of India

2. *** *** *** ***

3. *** *** *** ***

4. The Committee then took further oral evidence of the representatives of the Ministry of Railways (Railway Board) on the 'Demands for Grants – 2013-14 of the Ministry of Railways'. The evidence concluded.

The Committee then adjourned.

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present during the oral evidence.

MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE ON RAILWAYS (2012-13)

The Committee sat on Wednesday, the 17th April, 2013, at 1100 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

SHRI T.R. BAALU - CHAIRMAN

MEMBERS

LOK SABHA

2. Shri Bhaskar Rao Patil Khatgonkar
3. Shri Magunta Sreenivasulu Reddy
4. Smt. Satabdi Roy
5. Shri Harsh Vardhan

RAJYA SABHA

6. Shri Prabhat Jha
7. Om Prakash Mathur
8. Dr. Barun Mukherji
9. Shri K. Parasaran
10. Shri Tarini Kanta Roy
11. Shri Bashistha Narain Singh
12. Shri Ishwar Singh
13. Shri Nandi Yellaiah

SECRETARIAT

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

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. Thereafter, the Committee took up for consideration the draft report on 'Demands for Grants – 2013-14 of the Ministry of Railways' and adopted the same with some minor modifications.

3. The Committee also authorized the Chairman to finalise the Reports and present the Report to the House in light of the factual verification received from the Ministry.

The Committee, then adjourned.
