

(I) CONSTRUCTION OF NEW LINES ON SOCIO-ECONOMIC CONSIDERATION; (II) EXCESSIVE DELAYS IN MAINTENANCE OF LOCOMOTIVE; (III) FUNCTIONING OF RAIL VIKAS NIGAM LIMITED.

[Action taken by the Government on the Observations/ Recommendations of the Committee contained in their Sixty-Seventh Report (15th Lok Sabha)]

MINISTRY OF RAILWAYS
(RAILWAY BOARD)

PUBLIC ACCOUNTS COMMITTEE
(2015-16)

THIRTY-SEVENTH REPORT

SIXTEENTH LOK SABHA



LOK SABHA SECRETARIAT
NEW DELHI

THIRTY-SEVENTH REPORT
PUBLIC ACCOUNTS COMMITTEE
(2015-16)
(SIXTEENTH LOK SABHA)

(I) CONSTRUCTION OF NEW LINES ON SOCIO-ECONOMIC CONSIDERATION; (II) EXCESSIVE DELAYS IN MAINTENANCE OF LOCOMOTIVE; (III) FUNCTIONING OF RAIL VIKAS NIGAM LIMITED.

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MINISTRY OF RAILWAYS
(RAILWAY BOARD)



Presented to Lok Sabha on:

Laid in Rajya Sabha on:

LOK SABHA SECRETARIAT
NEW DELHI

April 2016/ Vaisakha 1938 (Saka)

26 APR 2016

CONTENTS

	PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2015-16)	(iii)
INTRODUCTION	(iv)
CHAPTER I Report	1
CHAPTER II* Observations/Recommendations which have been accepted by the Government	
CHAPTER III* Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government	
CHAPTER IV* Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration	
CHAPTER V* Observations/Recommendations in respect of which the Government have furnished interim replies	

APPENDICES

- I Minutes of the Twenty-second Sitting of the Public Accounts Committee (2015-16) held on 11th March, 2016
- II Analysis of the Action Taken by the Government on the Observations/Recommendations of the Public Accounts Committee contained in their Sixty-seventh Report (Fifteenth Lok Sabha)

**Not appended to the cyclostyled copy of the Report*

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2015-16)

Prof. K.V. Thomas

Chairperson

MEMBERS

LOK SABHA

2. Shri S.S. Ahluwalia
3. Shri Sudip Bandyopadhyay
4. Shri Ranjit Singh Brahmputra
5. Shri Nishikant Dubey
6. Shri Gajanan Kirtikar
7. Shri Bhartruhari Mahtab
8. Shri Ramesh Pokhriyal "Nishank"
9. Shri Neiphiu Rio
10. Shri Dushyant Singh
11. Shri Janardan Singh Sigriwal
12. Dr. Kirit Somaiya
13. Shri Anurag Singh Thakur
14. Shri Shivkumar Udasi
15. Dr. P. Venugopal

RAJYA SABHA

16. Shri Naresh Agrawal
17. Shri Satyavrat Chaturvedi
18. Shri Anil Madhav Dave
19. Shri Vijay Goel
20. Shri Bhubaneswar Kalita
21. Shri Shantaram Naik
22. Shri Sukhendu Sekhar Roy

SECRETARIAT

1. Shri A.K. Singh - Additional Secretary
2. Shri T. Jayakumar - Director
3. Shri A.K. Yadav - Deputy Secretary

INTRODUCTION

I, the Chairman, Public Accounts Committee (2015-16), having been authorised by the Committee, do present this Thirty-seventh Report (Sixteenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Sixty-seventh Report (Fifteenth Lok Sabha) on '(i) Construction of new lines on Socio-Economic Consideration; (ii) Excessive delays in Maintenance of Locomotive; (iii) Functioning of Rail Vikas Nigam Limited' relating to Ministry of Railways (Railway Board).

2. The Sixty-seventh Report was presented to Lok Sabha on 26th February, 2013 and laid in Rajya Sabha on 27th February, 2013. Replies of the Government to the Observations/Recommendations contained in the Report were received on 8th January, 2016. The Public Accounts Committee considered and adopted the Thirty-seventh Report at their sitting held on 11th March, 2016. Minutes of the sitting are given at *Appendix-I*.

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

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

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

NEW DELHI;
11th March, 2016
21 Phalgun, 1937 (Saka)

PROF. K. V. THOMAS;
Chairperson,
Public Accounts Committee

CHAPTER – I

REPORT

This Report of the Public Accounts Committee deals with action taken by the Government on the Observations/Recommendations of the Committee contained in their Sixty Seventh Report (Fifteenth Lok Sabha) on "(i) Construction of New Lines on Socio-Economic Consideration; (ii) Excessive delays in Maintenance of Locomotives; and (iii) Functioning of Rail Vikas Nigam Limited" based on Para Nos. 3.1, 4.1 and 7.2 of C&AG Report No.34 of 2010-11 Union Government - Railways relating to the Ministry of Railways (Railway Board).

2. The Sixty Seventh Report (Fifteenth Lok Sabha) presented to Hon'ble Speaker on 16.01.2013 and in the Lok Sabha and Rajya Sabha on 20.02.2013. It contained sixteen Observations/Recommendations. Action Taken Notes have been received from the Ministry of Railways in respect of all the Observations/Recommendations and are broadly categorised as follows:

- (i) Observation/Recommendations which have been accepted by the Government

Recommendation Para Nos. 1.37, 1.38, 1.40, 1.41, 1.42, 1.43, 2.19, 2.20, 2.21, 2.22, 3.31 and 3.34.

Total:12
Chapter II

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

Recommendation Para Nos. 3.32, and 3.33.

Total:02
Chapter III

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

Recommendation Para Nos. 1.39

Total:01
Chapter IV

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

Recommendation Para Nos. 3.35.

Total:01
Chapter V

3. The Committee desire that the Ministry of Railways (Railway Board) furnish at the earliest final/conclusive Action Taken Note on the Observation/Recommendation No.3.35 of their 67th Report (15th Lok Sabha) in respect of which the Ministry have furnished interim replies.

4. The detailed examination of the subjects by the Committee had revealed very systemic and other deficiencies which affect the construction of new lines, maintenance of locomotives resulting in efficiency of train services and creation of infrastructure for Railways. The Committee had noted that many new line projects undertaken were financially unviable, delay occurred in completion of projects due to delay in environment clearance/ non-availability of land leading to further delay in execution of the projects, lack of project schedule leading to lack of funds thus resulting in time overrun and cost escalation.

5. The Committee had observed under-utilisation of locomotives due to delay in scheduled maintenance, non-availability of spare parts for locomotives, lack of training in the file of new technological developments for workshop technicians, lack of computerisation of loco sheds, non-observance of codal provisions for maintenance of locomotives. These causes were ultimately resulting in less availability and underutilisation of locomotives thus affecting efficiency of Railways.

6. Further, examination of functioning of Rail Vikas Nigam Limited (RVNL) which was primarily constituted to develop and implement various projects to quicken the augmentation of infrastructure on the Golden Quadrilateral and its diagonals and other such projects covered under National Rail Vikas Yojana (NRVY) and market borrowings revealed that RVNL even after seven year of its inception, continued to be dependent on the resources of Railways. The performance of RVNL on project execution and management was inefficient as they were plagued by delays and cost overrun.

7. The Action Taken Notes furnished by the Ministry of Railways (Railway Board) on the Observations/Recommendations of the Committee contained in their Sixty Seventh Report (Fifteenth Lok Sabha) have been reproduced in the relevant Chapters of this Report in the succeeding paragraphs, the Committee will now deal with the

Action Taken by the Government on some of their Observations/Recommendations made in the original Report which either need reiteration or merit comments.

Delay in completion of new line projects and availability of funds
(Recommendation Para No.1.37)

8. The Committee had noted that many new line projects were taken up by Indian Railways on the demand of the people's representatives on socio-economic considerations to provide rail connectivity to backward and remote areas of the country. Although financially unviable, still in view of their tangible benefits to the society, these projects were considered for construction. In the Vision-2020 document presented to Parliament, the Ministry of Railways (Railway Board) had stated that there was huge shelf of 109 on-going 'New Line Projects' covering a route length of 11985 kms. out of which only 12 were financially viable, 8 were national projects with assured funding and the remaining 97 projects being non-viable but sanctioned on socio-economic grounds. Audit examination of 50 on-going works of new lines sanctioned on socio-economic considerations revealed that five projects sanctioned more than 20 years ago, nine sanctioned between 15 and 20 years and 36 sanctioned between 10 and 15 years ago were lying incomplete as on 31 March, 2010 despite Railways having incurred expenditure of Rs. 8549 cr. Some of the major deficiencies pointed out by Audit were delay in preparation of detailed estimates and land acquisition, lack of coordination with State Governments/ Ministry of Environment Forest for environment clearance, law and order problems, militancy, insurgency etc. and contractual failures. Acknowledging that these projects have not progressed well, the representatives of the Ministry had conceded that resource crunch, delay in land acquisition, delay in environment clearances were some of the major constraints for non-completion of these projects.

9. The Ministry of Railways in the Action Taken Notes have submitted as under:

" All new line project including those taken up on socio-economic consideration are funded through Gross Budgetary Support (GBS) extended by Ministry of Finance & Planning Commission. But GBS for New Lines have been inadequate compared to the throw forward of all pending projects and this is the primary reason for delay in execution of projects. Majority of the shortcomings stem from this major constraint which Railways are facing. If funds are assured, Railway can go whole hog in implementation of projects consequently majority of the deficiencies would be nonexistent except for few minor aberrations.

Final Location Survey (FLS), the basic preliminary work, depends upon hordes of reasons not under the control of Railways such as resistance of local to the project itself, demand for change in alignment followed by repeated request for minor modification of alignment, changes suggested by state governments. All these factors contribute to delay in completion of preliminary work and which in turn delay all subsequent steps such as preparation of detailed estimates, land acquisition, award of contracts etc. It is through regular pursuance with State Authorities and help of Public Representatives, persistent efforts are made to avoid delays.

Other deficiency such as Land acquisition is primarily dependent upon availability of funds. Delays can be avoided if complete funds are assured/tie-up as it will help in uninterrupted acquisition of land in one go. Other encumbrances leading to delay in land acquisition such as protest by land owners, non clearances by State Governments in handing over forest land, change of alignment at the behest of local public, State Government etc. are tackled by regular meeting and follow-ups with State authorities and seeking help of Public representatives.

In absence of assured funding, phased execution is planned consequently part Detailed Estimates are prepared and land is acquired in phases for stretches whose part Detailed Estimates have been prepared. As such there is no delay in initiation of process for land acquisition albeit there are delays in land acquisition of entire project. The problem has further aggravated by astronomical increase in land price in many States.

Ministry of Railways have been consistently impressing upon Planning Commission to enhance the Gross Budgetary Support commensurate with the throwforward but it has not yielded significant dividend. Some steps initiated by Ministry of Railways to tide up over the resource crunch are as under:-

1. Railways have been requesting the States to come forward to contribute their bit towards bringing socially backward areas into the mainstream by providing rail connectivity. To this end, Railways have been successful to certain extent, as now some of the states have agreed to provide land free of cost and / or share the cost of the projects. 10 State Governments have already come forward for taking up projects on cost sharing and at present 36 projects covering a length of more than 5586 km have been taken up on cost sharing basis with State Governments.
2. Formation of project specific SPV having equity and debt financing to mobilize funds for the projects.
3. To attract private investment, Ministry of Railways have recently announced a policy on Participative models for building Rail connectivity and capacity augmentation. Details have been given in the remarks against the observation / recommendation of para 1.40.

4. In consultation with Ministry of Finance, ongoing projects have been categorized to avoid thin spread of funds

Land acquisition in most of the projects is done by State Govts. on behalf of Railways. To avoid delay in land acquisition, regular meetings are held with State Govts. for expeditious acquisition of land. For speedy land acquisition, Land acquisition is also now being taken up under the Railways Amendment Act 2008 after declaring Railway projects as Special Railway Projects, accordingly, dependency on State Govts. for this critical activity, have been reduced.

To expedite forestry clearance, Railways makes all efforts to comply observations/objections raised by M/o Environment. Regular meetings are being held at higher level and Railway's case is adequately represented for early forestry clearance.

As has been brought out, in large projects, phased execution is planned depending upon availability of funds and efforts are made to execute from one end and put to immediate use after completion as to generate stream and to derive maximum benefit."

10. The Committee note the various factors responsible for non-completion of many new line projects. These factors are mainly resource crunch, delay in land acquisition, delay in environment clearance apart from lack of cooperation from local authorities and State Governments. The Committee appreciate the efforts made by the Railways to overcome these obstacles and complete the projects in time. However, the Committee are not convinced over the fact that delays ranging from 10 to 20 years were due to these factors alone. They feel that the Railways should make some extra efforts to resolve the problems faced in completion of new line projects. The Committee desire the Railways to ensure that land acquisition problem is pursued with State Governments in a more proactive manner at appropriate level so that delay on this account is minimised. They also feel that making availability of adequate funding is a part of planning process. They, therefore, desire the Ministry of Railways to ensure that funds allotted through Gross Budgetary Support are fully utilised in such projects. The Committee, however, desire that the new line projects, where State Governments have agreed to contribute their percentage of funds and land acquisition has been completed, should be given priority for implementation particularly in the case of Jharkhand and Nagaland.

New Policy of freezing/shelving of socio-economic projects
(Recommendation Para No. 1.39)

11. The Committee had found that work was not taken up in five projects which were sanctioned in 1997-98 to 2000-01. Further, in four projects the physical progress was less than ten percent. Still, Railways intend to continue all the projects with a request to the Planning Commission and Ministry of Finance for enhancement of gross budgetary support for execution of projects. In their 61st Report, the Public Accounts Committee (14th Lok Sabha) had recommended that Ministry of Railways, Finance and Planning should not only lay down criteria for taking up various Railway projects but also review all the on-going projects that were taken up on socio-economic considerations. The Ministry in their Action Taken Note stated that the new projects were taken up based on the demands and aspirations of local people and therefore shelving such projects would have wider ramifications and invite public criticism. The Committee in their Fourth Report (15th Lok Sabha) had observed that while the Railways were not prepared to shelve projects which were yet to take off, on the other hand the State Governments were not prepared to share the cost. Therefore, the Committee had recommended that the projects taken up on socio-economic considerations should be reviewed so that a fair assessment of continuing or shelving such projects was made. The Committee had also felt that unless the concerned State Governments agree to share the cost and provide land free of cost, Railway may revisit the proposed construction of such projects and also evolve a sound national policy in this behalf.

12. The Ministry of Railways in the Action Taken Notes have submitted as under:

"Since shelving of projects wherein the work is yet to commence or physical progress is very low due to resource crunch would be difficult, as mentioned in the remarks against the observation /recommendation of para 1.37, such projects have been assigned low priority and State Govts are being requested to come forward to share cost of the projects and in addition give land free of cost.

Recommendation of the Hon'ble Committee to evolve a policy of freezing /shelving of such socio economic projects which were yet to take off and there is reluctances on part of State Govt. to share the cost have been noted."

13. The Committee are unhappy to note the casual reply of the Ministry of Railways in response to their recommendation for evolving a new national policy of freezing/shelving of socio-economic projects which were yet to take off and there is reluctance on the part of State Government to share the cost. The

Committee caution the Ministry to be more categorical while replying to the recommendation of the Committee. The Committee would like to reiterate their earlier recommendation and desire the Ministry to expedite the finalisation of a new national policy and apprise the Committee within six months of presentation of this Report.

Impact assessment of the improved infrastructure
(Recommendation Para No. 2.19)

14. The Committee had noted that preventive maintenance of locomotives was carried out at diesel sheds at specified intervals to ensure maximum availability and optimum utilization of locomotives. The maintenance of diesel locos of North Western Railway was carried out by diesel shed at Abu Road (ABR) and Bhagat Ki Kothi (BGKT). Audit scrutiny revealed that failure of the Railways to carry out the maintenance schedules of diesel locomotives within the prescribed time led to excess detention and consequential loss of earning capacity to the tune of Rs. 92.89 crore. Acknowledging the drawbacks, the representatives of the Ministry informed the Committee that various corrective measures had been taken to improve the shed outages which inter-alia included improved infrastructure in the diesel sheds, repairing of running bays and heavy repair bays, improved training in handling of locomotives both in the shed as well as on line to staff and introduction of microprocessor based control system. While taking note of the remedial measures taken by the Railways, the Committee had desired to be apprised about the impact of these measures within three months of the presentation of this report.

15. The Ministry of Railways in the Action Taken Notes have submitted as under:

" It is clarified that depending upon the holding and the number of locomotives used on passenger carrying services and providing for scheduled and unscheduled maintenance, a target 'outage' is specified for each shed. This 'outage' is the commitment of the shed to the user department, i.e., Traffic Deptt. for utilizing in goods services. It can be seen from the table below that the actual outage has been more than the target and statistical ineffective for repairs is within the specified target.

This is substantiated from the figure of ineffective and outage of NWR given below:

Year	Ineffective target	Actual ineffective	Target outage	Actual outage
09-10	10	7.56	74.7	83.25

10-11	10	8.06	59.63	62.41
11-12	10	8.17	62.49	64.84
12-13 Upto Oct'12	10	7.78	69.29	70.69

Thus, the diesel loco sheds on NWR have actually provided almost 2.78 locomotives per day over and above the target and have actually helped the railway to earn more than what had been committed in 2010-11.

Improvement is a continuous process and in short term the effect of improved infrastructure may not be reflected. Their effect can only be seen after one or two years after putting them in place."

16. The Committee note that various corrective measures taken to improve the shed outages which inter-alia include improved infrastructure in the diesel sheds, repairing of running bays etc. However, the Ministry have stated that improvement is a continuous process and in short term, the effect of improved infrastructure may not be reflected and their effect can only be seen after one or two years after putting them in place. In view of this, the Committee would like to urge the Ministry to make an impact assessment of the improved infrastructure and apprise the Committee accordingly.

Computerisation of loco sheds

(Recommendation Para No.2.21)

17. The Committee had noted that bunching of locomotives for overhauling is unavoidable because of varying traffic requirements on day to day basis, priority of traffic movements for transportation of essential goods and military movements etc. When more than one locomotive enter the shed, it also lead to bunching of locos for overhauling and other schedules. Further, the Committee had noted that over utilization of locos were allowed ignoring the maintenance of locos in working condition. The Committee were informed by the Ministry of Railways that since freight movement is erratic and depends upon seasonal inputs, utilization of locos is done by the Department and therefore banning over utilization of diesel locomotives for carrying out schedule repairs will not be a practical approach. The Committee had, therefore, desired that continuous sustained efforts need to be made to minimize the ineffectiveness of the locomotives and feasibility of computerization of sheds, upgrading the reliability of spare parts, upgrading the infrastructure in the diesel sheds and improving the maintenance practice in consonance with fast changing technology, may be examined by the Ministry and the Committee apprised.

18. The Ministry of Railways in their action taken reply stated as under:

"Recommendation of the Hon'ble Committee on the paras has been noted. However, it is pertinent to mention here that the sustained efforts are being made to keep the ineffective of locos as per the target. The action is being taken on the advice of RDSO & DLW regarding upgradation of spare parts. The feasibility of computerization sheds will be studied to incorporate better management information system."

19. The Ministry of Railways have noted the recommendation of the Committee for minimising the ineffectiveness of the locomotives and assured that feasibility of computerisation of sheds will be studied to incorporate better management information system. However, they failed to provide any time frame for conducting such study and its implementation. The Committee feel that this reflects lack of seriousness on the part of the Railways. They, therefore, recommend that the Ministry of Railways should fix a definite time frame for accomplishing the task of implementation of computerisation of sheds so that necessary planning process in this regard is initiated and unnecessary delay in the computerisation is avoided. The Committee may be informed in this regard at the earliest.

Participative Models for Rail Connectivity and Capacity Augmentation Projects
(Recommendation Para No.3.34)

20. The Committee had observed that the MoU entered into between Indian Railways and RVNL does not contain any provision for release of funds to RVNL as 'Project Advance'. Till 31 March, 2010 an amount of Rs.3355 crore stands released to RVNL as 'Project Advance' without any interest liability on RVNL's part. The Committee were informed that the money is paid as 'Project Advance' to RVNL to incur expenditure involved in execution of the project which is to be transferred to the Railways on completion of projects. The funds are released as advance as the ownership of the asset created by RVNL on completion lies with the Railways and RVNL does not have an independent revenue stream for operation of asset for repayment of any funds taken as 'loan'. The Committee had also noted that subsequent to the formation of RVNL, a number of changes in the financial structure and scope were made by the Ministry which were against the original objectives of formation of RVNL. In August, 2004 Ministry of Railways permitted borrowings only through Indian Railways Finance

Corporation (IRFC) and decided to bear full responsibility for the repayment of the principal and cost of borrowings on the funds received from IRFC. The Ministry justified the borrowings from IRFC stating that the option was to either permit RVNL to enter the financial markets directly and borrow or make use of its existing dedicated market borrowing viz. IRFC. Apparently, the RVNL was largely ineffective in performing one of its core functions i.e. generating additional resources and resource mobilization from external sources. To enable RVNL to discharge one of its core functions, the Committee desired that the Ministry of Railways should impress upon RVNL to make innovative efforts to generate additional resources in accordance with mandate given to it.

21. The Ministry of Railways in their action taken replies submitted that raising of additional resources by leveraging market borrowing have been restricted to the loans received from IRFC. However, RVNL has been able to arrange Rs. 4386 cr. for its Special Purpose Vehicle (SPV) projects with RVNL's equity contribution of only Rs. 571 cr. i.e. 13% of the total investment. Ministry of Railways has recently formulated a policy for Participative Models for Rail Connectivity and Capacity Augmentation Projects dated 10.12.2012. It is expected that RVNL will play a significant role in raising additional resources for investment in rail infrastructure through this new initiative.

22. The Committee note that Ministry of Railways have formulated a policy for Participative Models for Rail Connectivity and Capacity Augmentation Projects. It is also expected that RVNL will play a significant role in raising additional resources for investment in rail infrastructure. However, it is not known whether this policy has already been implemented or is likely to be implemented. It is also not known as to what amount Railways are expected to generate through this capacity augmentation. Therefore, the Committee desire the Ministry of Railways to intimate the Committee about the salient features of the scheme and the likely date of its implementation along with the quantum of additional resources likely to be generated through it.

NEW DELHI;
11th March, 2016
21 Phalgun, 1937 (Saka)

PROF. K. V. THOMAS,
Chairperson,
Public Accounts Committee

MINUTES OF THE TWENTY-SECOND SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2015-16) HELD ON 11th MARCH, 2016.

The Committee sat from 1000 hrs. to 1100 hrs. on 11th March, 2016 in Room No. "51", Parliament House, New Delhi.

PRESENT

Prof. K. V. Thomas

Chairperson

MEMBERS

LOK SABHA

2. Shri S.S. Ahluwalia
3. Shri Nishikant Dubey
4. Shri Ramesh Pokhriyal "Nishank"
5. Shri Neelhu Rio
6. Shri Dushyant Singh
7. Shri Janardan Singh Sigriwal
8. Dr. Kirit Somaiya

RAJYA SABHA

9. Shri Sukhendu Sekhar Roy

LOK SABHA SECRETARIAT

- | | |
|----------------------|------------------------|
| 1. Shri A. K. Singh | - Additional Secretary |
| 2. Shri T. Jayakumar | - Director |
| 3. Shri A.K. Yadav | - Deputy Secretary |
| 4. Smt. Anju Kukreja | - Under Secretary |

REPRESENTATIVES FROM THE OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

- | | |
|---------------------|----------------------------|
| 1. Shri Rakesh Jain | - Deputy C&AG (RC) |
| 2. Shri B.R. Mondal | - Principal Director (RBA) |
| 3. Shri L.S. Singh | - Principal Director (RC) |

2. At the outset, the Chairperson welcomed the Members to the Sitting of the Committee. Thereafter, the Committee took up the following draft Reports for consideration:

(i) XXXX XXXX XXXX XXXX

(ii) Draft Report on Action Taken on the observations/recommendations contained in 67th Report of PAC (15th Lok Sabha) on the subject (i) **Construction of New Lines on Socio-Economic consideration;** (ii) **Excessive Delays in Maintenance of Locomotive;** and (iii) **Functioning of Rail Vikas Nigam Limited.**

(iii) XXXX XXXX XXXX XXXX

3. The Chairperson invited suggestions of the Members on the above mentioned draft Reports. After discussing the contents of these draft Reports, the Committee adopted the draft Reports with some changes/modifications which are indicated in the enclosed Annexures I-III.

4. The Committee authorized the Chairperson to finalise these Reports in the light of verbal discussion and consequential changes arising out of factual verification by the Audit and present the same to Parliament.

The Committee then adjourned.

ANNEXURE-II

Changes/modifications as suggested by the Members to be incorporated in Draft Report on Action Taken on the observations/recommendations contained in 67th Report of PAC (15th Lok Sabha) on the subjects "(i) Construction of New Lines on Socio-Economic consideration; (ii) Excessive Delays in Maintenance of Locomotive; and (iii) Functioning of Rail Vikas Nigam Limited."

Sl. No.	Page/Line No.	For	Read
1.	Page 5, Para 10/ Last Line		Add at the end of Para 10 - "The Committee, however, desire that the new line projects, where State Governments have agreed to contribute their percentage of funds and land acquisition has been completed, should be given priority for implementation particularly in the case of Jharkhand and Nagaland."

APPENDIX-II
(Vide Paragraph 5 of Introduction)

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

(i)	Total number of Observations/Recommendations	16
(ii)	Observations/Recommendations of the Committee which have been accepted by the Government: <i>Para Nos. 1.37, 1.38, 1.40, 1.41, 1.42, 1.43, 2.19, 2.20, 2.21, 2.22, 3.31 and 3.34.</i>	Total : 12 Percentage: 76.47%
(iii)	Observations/Recommendations which the Committee do not desire to pursue in view of the reply of the Government: <i>Para Nos. 3.32 and 3.33</i>	Total : 02 Percentage: 11.76%
(iv)	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration: <i>Para Nos. 1.39</i>	Total : 01 Percentage: 5.88%
(v)	Observations/Recommendations in respect of which the Government have furnished interim replies: <i>Para No. 3.35</i>	Total: 01 Percentage: 5.88%