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RAILWAY CONVENTION COMMITTEE

(2014)

(SIXTEENTH LOK SABHA)

MINISTRY OF RAILWAYS

(RAILWAY BOARD)

CONSULTANCY, ENGINEERING AND PROJECT  
MANAGEMENT SERVICES BY RITES



सत्यमेव जयते

LOK SABHA SECRETARIAT

NEW DELHI

December, 2016 /Agrahayana, 1938 (Saka)

NINTH REPORT  
RAILWAY CONVENTION COMMITTEE  
(2014)

(SIXTEENTH LOK SABHA)

MINISTRY OF RAILWAYS  
(RAILWAY BOARD)

CONSULTANCY, ENGINEERING AND PROJECT MANAGEMENT  
SERVICES BY RITES

Presented to Lok Sabha on 15.12.2016

Laid in Rajya Sabha on 15.12.2016



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COMPOSITION OF RAILWAY CONVENTION COMMITTEE  
(2014)

Shri Bhartruhari Mahtab, MP - Chairperson

Members

Lok Sabha

2. Shri Abhishek Banerjee
3. Shri Sanganna Amarappa Karadi
4. Shri K. Ashok Kumar
5. Shri Kamalbhan Singh Marabi
6. Vacant\*
7. Shri Nana Patole
8. Shri Janak Ram
9. Shri Rahul Ramesh Shewale
10. Shri Bharat Singh
11. Shri Liladharbhai Khodaji Vaghela
12. Shri K.C. Venugopal

Members

Rajya Sabha

13. Shri Derek O' Brien
14. Shri T.K. Rangarajan
15. Shri Prem Chand Gupta
16. Shri Abdul Wahab
17. Smt. Vandana Chavan
18. Shri Ranvijay Singh Judev

Secretariat

1. Shri S.C. Chaudhary - Joint Secretary
2. Shri M. K. Madhusudhan - Director
3. Shri D. R. Mohanty - Additional Director
4. Shri J.S. Patiyal - Committee Officer

\*Vacancy occurred w.e.f. 05<sup>th</sup> July, 2016 vice Smt. Anupriya Patel was appointed MOS

## INTRODUCTION

I, the Chairperson, Railway Convention Committee (2014), having been authorized by the Committee, present this Ninth Report on 'Consultancy, Engineering and Project Management Services by RITES'.

2. The Committee obtained background material and written information from the Ministry of Railways (Railway Board) and RITES in connection with the examination of the subject. The Committee also took oral evidence of the representatives of the Ministry of Railways (Railway Board) and RITES on 21<sup>st</sup> April, 2016 and 30<sup>th</sup> August, 2016. The Committee express their thanks to the representatives of the Ministry of Railways (Railway Board) and RITES for appearing before the Committee and also for furnishing requisite written information on the subject, as desired by the Committee.

3. The Committee considered and adopted this Report at their sitting held on 14.12.2016. The Minutes of the sitting of the Committee are appended to the Report.

4. The Committee place on record their appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

5. For facility of reference and convenience, the Observations/ Recommendations of the Committee have been printed in bold letters in the Report.

New Delhi:  
14 December, 2016  
23 Agrahanaya, 1938 (SAKA)

BHARTRUHARI MAHTAB  
CHAIRPERSON  
RAILWAY CONVENTION COMMITTEE

# PART - I

## REPORT

### I. INTRODUCTORY

RITES Ltd. earlier known as “Rail India Technical and Economic Services’ was set up in 1974 as a consultancy arm of the Indian Railways. Over the years, RITES has grown from Railway consultant to a multi-disciplinary company specializing in Design, Engineering, Consultancy and Project Management in Transport and other infrastructure sectors in India and overseas. The spectrum of services offered by RITES Ltd. is mainly in transportation and infrastructure sector such as Railways, Urban Transport including Metro projects, Highways, Bridges and Tunnels, Ports and Inland waterways, Airports, Institutional Buildings, operation and maintenance, export packages, renewable energy, leasing of locomotive in domestic market etc.

2. RITES Ltd., a profit making Company since inception, has a turnover of Rs. 1275 crore and networth of Rs. 1844 crore as on 31 March, 2016. The present paid up Capital of the Company is Rs. 100 crore. RITES became a Public Limited Company in 2008. It is a zero debt company with consistent track record of healthy earning and dividend. RITES got Mini Ratna status in 2002 and Schedule ‘A’ Company status in 2007.

3. Most domestic assignments of RITES are from Central & State Governments/Ministeries/Departments Public Sector Undertakings and Corporations and large Industrial Establishments. RITES also undertakes Overseas Projects for the national Governments and

Private entities in Africa, Middle East, South Asia and SAARC countries.

4. With a view to assessing the performance of RITES in Consultancy, Engineering and Management Services provided by the Company both inside and outside the country and the revenue generation therefrom, the Committee took up the subject for examination and report. In the process, the Committee obtained background notes, written replies and other relevant documents from the Ministry and RITES. The Committee also took evidence of the representatives of Ministry of Railways (Railway Board) and RITES on two occasions. Based on the written and oral depositions of the Ministry of Railways and RITES, the Committee have deliberated on the issues concerning the subject matter in the succeeding paragraphs.

## II. DOMESTIC BUSINESS

5. The Committee were informed that RITES' association continued with several Railway infrastructure projects for the Indian Railways, National Thermal Power Corporation (NTPC), Steel Authority of India Limited (SAIL), Damodar Valley Corporation (DVC), Container Corporation of India Limited (CONCOR), Coal India Limited (CIL), Mahanadi Coalfields Limited (MCL), Rashtriya Ispat Nigam Limited (RINL) and various private companies in steel, power, mining and port sectors.

6. The Committee were also apprised that RITES was establishing itself in turnkey projects domain successfully. The Company had completed the turnkey projects for bogie shops at Budge Budge and Integral Coach Factory (ICF), Chennai and Modern Bus Terminal at Maltinatnur Puri for the Odisha Government. RITES was also being

engaged in turnkey project of setting up of a factory of traction alternator and traction motor for locos at Vidisha, Madhya Pradesh. The business of wet leasing of shunting locos including operation and maintenance has been well received by domestic non-railway customers and so far 33 locos have been leased out.

7. In response to a specific query, the Ministry submitted that RITES Ltd. as an established entity was providing Project Management Consultancy (PMC) services for rail infrastructure connectivity projects. RITES has secured a major contract at Lara from NTPC for providing Project Management Consultancy (PMC) services. RITES' new clients for such projects included Orissa Power Generation Corporation, Singareni Collieries Co. Ltd. and Kamraj Port, Chennai. Further, MOU has been signed with RINL Steel Plant for their rail infrastructure projects. Regarding building works, RITES has recently secured PMC work for the Central University of Kerala at Kasargod, Central University of Bihar at Gaya and the National Institute of Technology, Cherrapunji, Meghalaya.

8. The Committee then asked about the number of new workshops that had been set up by RITES for the Indian Railways and the revenue accrued therefrom. In reply, the Ministry stated as under:

“Two workshop up-gradation projects have been completed by RITES at Rail Coach Factory (RCF)/Kapurthala and Integrated Coach Factory (ICF)/Chennai (FIAT Bogie Manufacturing Shop.)

One new workshop (Bogie Manufacturing Shop) at Budge Budge/West Bengal has been set up for RCF/Kapurthala. This shop is now under administrative control of Eastern Railway/Kolkata.

Coaches produced at these factories contribute to the revenue of Indian Railways when they are put in commercial service. However, revenue earned is not



**(i) Dedicated Freight Corridors (DFCs)**

9. As regards RITES' role in Dedicated Freight Corridors (DFCs), the Committee were informed that RITES had recently completed preliminary engineering-cum-traffic study for the two proposed DFCs i.e. North-South Corridor and East-West Corridor. The Committee were also apprised that study for East Coast Corridor and Southern Corridor (from Chennai to Goa) was under progress.

10. Asked to furnish the details of the above said DFCs, the Ministry submitted the following information:

- (a) Preliminary Engineering cum Traffic Study for 4 new DFC Corridors:
- (b) East West Corridor (Kolkata to Mumbai – 2000 km)
- (c) North South Corridor (Delhi to Chennai – 2173 km)
- (d) East Coast Corridor (Kharagpur to Vijaywada – 1100 km)
- (e) Southern Corridor (Chennai to Goa – 890 km)
- (f) PMC for Western DFC for DFCCIL

11. The Committee then desired to know the status of the various Studies undertaken by RITES relating to the above said six DFCs. In response, the Ministry submitted the following information in a tabular form:

<b>Sl. No.</b>	<b>Details of study</b>	<b>Final Report Submission Date</b>
<b>1.</b>	Eastern DFC	
	Feasibility Study of Eastern Dedicated Freight Corridor from Ludhiana-Khurja-Sonnagar	January 2006
	Preliminary Engineering-cum-Traffic Survey of Eastern Dedicated Freight Corridors from Ludhiana-Khurja-Sonnagar	January 2007
	Feasibility Study of Eastern Dedicated Freight Corridor from Sonnagar to Dankuni	January 2008
	Preliminary Engineering-cum-Traffic Survey of Eastern Dedicated Freight Corridors from Sonnagar to Dankuni	December 2009
<b>2.</b>	Western DFC	
	Feasibility Report of Western Dedicated Freight Corridors from JNPT to Dadri	January 2006

	Dedicated Freight Corridors from JNPT to Dadri	
3	Preliminary Engineering-cum-Traffic Survey of East-West Corridor (Kolkata to Mumbai)	August 2015
4	Preliminary Engineering-cum-Traffic Survey of North-South Corridor (Delhi to Chennai)	August 2015
5	Preliminary Engineering-cum-Traffic Survey of East-Coast Corridor (Kharagpur to Vijaywada)	February 2016
6	Preliminary Engineering-cum-Traffic Survey of Southern Corridor (Chennai to Goa)	Draft Final Report Oct. 2015

12. In response to a specific query regarding RITES' involvement as Project Management Consultancy (PMC) for Western DFCs, the Committee were apprised as under:

“For the Western DFC, RITES has 18% share in the PMC team in Nippon Koei led consortium for the Section between Rewari and Iqbalgarh. RITES has 20% share in the Oriental Consultants led consortium in the PMC team for the Section between Iqbalgarh and JNPT.”

**(ii) Metro Projects**

13. The Committee were informed that in DFCs and Metro Projects, RITES' role ranged from pre-feasibility study, preparation of detailed Project Report (DPR), design and project management to construction supervision and quality assurance etc.

14. In the above context, when the Committee desired to know about the various Metro Projects that RITES had been involved with, the following information was furnished to the Committee:

- (a) General Engineering Consultancy for Bangalore, Delhi, Nagpur and Ahmadabad Metro Systems
- (b) Interim Consultancy for Nagpur Metro

- (d) Feasibility Study for Elevated Rail Corridor in Mumbai
- (e) DPR for MRTS/RRTS between Ahmedabad & Dholera
- (f) DPR for Mumbai Monorail
- (g) DPR for Line 3- Colaba – Mahim- BKC- Airport- Seepz
- (h) Detailed Design Consultancy for metro stations and depots in Ahmedabad
  
- (i) Feasibility and DPR studies for Kochi, Patna, Kolkata, Guwahati, Kanpur, Varanasi, Agra, Meerut & Chennai Metro Phase II, Mumbai and Nagpur Phase II.

15. Asked to furnish the status of each of the above mentioned Metro Projects, the Ministry in their written submission stated as under:

“(i) Agra - Final DPR after incorporating all the observations of the stakeholders and Lucknow Metro Rail Corporation (LMRC) has been submitted to Agra Development Authority. It has been presented to and approved by Chief Secretary UP on 30th June’ 2016.

(ii) Kanpur- Final DPR submitted after incorporating all the observations of the stakeholders and Lucknow Metro Rail Corporation (LMRC) has been submitted to Kanpur Development Authority and is duly approved. RITES is providing technical support to LMRC team in preparing PIB note and in replying to the queries of Ministry of Urban Development (MoUD), Government of India.

(iii) Varanasi – Final DPR after incorporating all the observations of the stakeholders and LMRC submitted to Varanasi Development Authority. The Final DPR was presented to and approved by Chief Secretary, Uttar Pradesh, on 29th Feb.’2016, and State Cabinet in May’2016. RITES is providing technical support to LMRC team in obtaining approval of MoUD, Government of India.

(iv) Meerut- Final DPR after incorporating all the observations of the stakeholders and LMRC has been submitted to Meerut Development Authority on 31st May and it has been presented to and approved by Chief Secretary on 30th June’2016.

(v) Metro Project for Chennai Phase-2: Topographical survey & Geotech investigation report submitted to Chennai Metro Rail Ltd. (CMRL). DPR is under preparation, target date of submission Dec.'16.

(vi) Metro Project for Guwahati: Final DPR prepared and submitted to Guwahati Metropolitan Development Authority in Feb.'16.

(vii) Metro Project for Kochi, Phase-2: Final DPR prepared and submitted to Kochi Metro Rail Ltd. in Mar.'16

(viii) Ahmedabad Metro Rail Project i.e Metro Link Express for Gandhinagar & Ahmedabad (MEGA) :

RITES in consortium with M/s Systra S.A (Lead Member), Oriental Consultants, & AECOM have been awarded the contract for General Consultancy services for Metro Link Express for Gandhinagar & Ahmedabad (MEGA) Phase I on 03.09.2015. In addition, RITES is also executing the work of Detailed Design Consultancy for two maintenance depots, six elevated stations and Power supply & 750 Vdc traction system for Ahmedabad Metro.

(xi) Nagpur Metro Rail Project Phase I :

RITES in consortium with M/s Systra S.A (Lead Member), AECOM & EGIS have been awarded the contract for General Consultancy services for Nagpur Metro Phase I project on 10.06.2016. In addition, RITES is also executing the work of PMC for At-Grade section from Airport to Khapari (4.5 Km).

(x) Delhi Metro Rail Project Phase III :

RITES in consortium with M/s Oriental Consultant (Lead Member), Tonichi & PBI have been appointed as General Consultant (GC) for Delhi Metro Ph.III project on 08.06.2012. The role of GC is mainly confined to Safety & Quality in execution. The project was scheduled to be completed by 30th. Sept.'16 but there has been some delay on account of land acquisition, the project is expected to be completed by Sept.'17."

**(iii) Defence Projects**

16. The Committee were informed that RITES had taken up the following defence projects:

(a) Project Management Consultancy (PMC) for setting up of M-15 Gas Turbine aggregate testing facilities at INS EKSILA for Director General Naval Projects, Vishakhapatnam (completed recently).

(b) Detailed Project Report (DPR) for M-15 Test Bed facility for testing of M-36 GTs at INS EKSILA for Director General Naval Projects, Vishakhapatnam.

17. Asked to state the status of the above said defence projects and whether RITES proposed to take up other such projects, the Ministry submitted as under:

“(a) DPR and PMC for setting up of M-15 Gas Turbine Aggregate Testing Facilities. This project including DPR, execution, commissioning and defect liability period has already been completed in February, 2016.

(b) RITES is preparing the Detailed Project Report for setting up test facilities for M-36 Gas Turbine at Vishakhapatnam. This DPR is expected to be completed by end of September, 2016.

c) RITES propose to carry out PMC work for M-36 Gas Turbine Testing Facilities also”.

18. The Committee were further apprised as under:

"RITES has expertise in providing consulting and project management services for complex projects. RITES has been providing such services to Indian Railways and also now to Defence. These projects are quite complex with very few agencies are having capability to execute such projects in India. Therefore, RITES has been getting such project including the current project from Indian Navy on

RITES is willing to take up more projects on similar basis in future."

**(iv) Renewable Energy Projects**

19. As regards Renewable Energy Projects, the Committee were informed that a 25 MW wind mill power plant had been commissioned by RITES at Jaisalmer and the Company was proposing to commission another 132.5 MW wind mill power plant next year.

20. Asked to furnish the details of the wind mill power plant that had already been commissioned, the Ministry stated as under:

"26 MW Windmill commissioned on 16.10.15 in Jaisalmer Rajasthan through Railway Energy Management Company Limited (REMCL), a Joint Venture Company of RITES Ltd. and Indian Railways:

(a) Cost: 151.45 Crore

(b) Capacity: 26 MW, 13 Machines of 2 MW capacity each.

(c) Expected Generation: 4.5 Crore units (approx.) per annum

(d) Power Utilization:- At 3 Traction substations (TSS) of WCR's Kota Section on Delhi Mumbai Trunk Route.

(e) Generation till July 2016:- 2.95 Crore Units

The windmill plant is powering Bharatpur – Kota section of WCR. Besides, reducing carbon footprint of railways, the tariff is also lower than the existing Discom traction tariff. The present estimated saving from this windmill plant for railways is about Rs.2.5 crore per annum. Further, the tariff of this windmill plant will progressively reduce."

21. In evidence, referring to a news items regarding delay on the part of the State Governments in issuing No Objection Certificates to REMCL, the Committee asked the extent of impact of such delays in undertaking the Renewable Energy Projects. In response, the Chairman, Railway Board deposed as under:

“Sir, the Railway has been given a deemed licensee status thereby meaning that we can procure the electricity directly from the producer without going through the State Discoms. But the system that we have presently is that our all tractions and stations are linked through our State transmission lines. So, we necessarily have to go through them.

This deemed licensee status permits us that they should issue us the No Objection Certificate. Only the billing charges through their network should apply. And, there should be no other charges. By ‘no other charges’, I mean that they have a system of cross subsidy which they should not levy on Railways. Cross subsidy basically means that various States give electricity to various priority sectors like agriculture and other sectors at much cheaper rate than what they procure and they apply additional charges on other bulk consumers so as to compensate for it. So, strictly as per the deemed licensee status, we are exempt from that. But it requires a No Objection Certificate from States that we use their network paying them only the billing charges for power.

Till now, four States have given us No Objection Certificate. They are Maharashtra, Gujarat, Madhya Pradesh and Jharkhand. We are procuring around 500 megawatt in this arrangement from these four States. Other States have reservations basically because if they do away with this cross subsidy charge, maybe there will be some revenue gap which they will have to make up by some other arrangement. We are pursuing it even at the Minister level. We have also raised this with par Ministry that this NOC should be given to us. If the NOC comes to us from all

substantial savings as observed by the hon. Chairperson. But in case we do not get that NOC from different States, that bottleneck remains and we will have to keep on pursuing with the States.”

22. In response to a specific query regarding RITES’ diversification of services, the Ministry submitted as under:

“RITES Ltd continues to maintain its firm position in the highway, airport and metro rail sector, despite increased competition. RITES has secured projects such as a detailed design consultancy for six elevated metro stations for Metro Link Express for Gandhinagar and Ahmedabad, DPR for rail based mass transit system in Kanpur, feasibility study for high speed rail corridor between Delhi-Chandigarh-Amritsar, multi-modal transport integrated plan for Airport Authority of India for major airports in India and setting up of Greenfield airports in Singrauli and Gwalior, Madhya Pradesh. A contract has been secured for setting up of Integrated Check Posts at Nepalgunj and Bhairahawa along Indo-Nepal border. Recently, highway project has been secured for preparation of package III for Hooghly and Nadia districts of West Bengal.”

### III. OVERSEAS BUSINESS

23. The Committee were informed that RITES provided export services as ‘The Total Package’ for supply of locomotives and rolling stock, equipment for workshops/ Railways systems and modernization of workshops to foreign Railway organizations. This also included providing technical assistance to clients’ Railway Systems as well as locomotives & rolling stock on wet leasing.

24. The Committee were further apprised that in export of rolling stock segment, RITES had secured a major export order from Bangladesh Railways (BR) for the supply of 120 broad gauge LHB



Gauge Diesel electric locomotives were delivered, as last lot of the contract for supply of total twenty six locomotives to Bangladesh. The contract for locomotives leased to Mozambique had been further extended for two years beyond August, 2015. RITES was also trying to make further inroads into African markets. RITES had secured the consultancy services for the expansion of apron, taxiway and development of new hanger at Kigali International Airport, Rwanda.

25. Asked to state the prospects of the overseas business ventures of RITES especially in the Gulf countries, the Ministry in their written submission stated as under:

“(a) RITES has been trying to participate in Railway related projects as technical consultant and operation and maintenance provider for up-coming railway systems in some of the gulf countries. Recently (2015), RITES has participated in a tender for services as ‘Freight and Network operations and Maintenance Partner’ for Oman Rail Company (SAOC) in consortium with Konkan Railway Corporation Ltd. (KRCL). However, since the project construction phase has been delayed considerably, decision on allotment of the work against this tender has been postponed for the time being. RITES intends taking up such O&M assignments in future, whenever such opportunities arise particularly in Gulf countries. RITES, in the year 2009, secured a contract for Provision of consultancy services for Railway and Material Handling (bulk cement) for Saudi Cement Company (SCC), Dammam. Further, RITES was also engaged for O&M contract for North South Railway (NSR) for Saudi Arabia Railways for which RITES prepared Master Plan including staffing, training, facilities built out, system support and dynamic testing plans. The said contract was foreclosed by the client.

(b) Gulf Countries are looking for higher speeds and better rolling stock than prevailing on Indian Railway Systems,

and have stringent qualification criteria. RITES is making efforts to qualify in their tenders.”

26. Highlighting the prospects of RITES’ business venture in the Gulf Countries, the CMD, RITES apprised the Committee in evidence that the investments in Gulf Countries were being made in standard gauge, freight, high speed tracks and passenger services. Recently, a tender was floated there where the minimum qualification for the bidders was construction of at least 200 km per hour tracks. The CMD further submitted that no Indian Company was qualified because they had no experience in constructing 200 km track. The CMD also deposed that there was a huge technology gap between requirements of Gulf Countries and the available technology in India.

27. The Committee then queried about the extent of technology gap. In response, the CMD, RITES stated:

“There is one generation gap in signaling and communication. Basically it is rolling stock technology”.

28. Asked to state categorically the number of years RITES would take to match the technology requirements of the Gulf Countries, the CMD, RITES submitted:

“I do not think we cannot match with them. I think in five to seven years it may be possible if we train our people for that.”

29. The Committee were then informed that export of rolling stock to Myanmar and Sri Lanka had been affected due to want of funds. In that context, the Committee desired to know the proposals/plannings on the part of the Ministry /RITES to overcome the impediments and get the funds against Indian Line of Credit. In reply, the Ministry stated as under:

"As a result of continued efforts, the Company has recently secured/to be secured the following high value contract funded under Indian Line of Credit:

(a) Contract for supply of 120 BG LHB Coaches to

2015 against the said contract 40 coaches have already been exported in March, 2016 and balance will be supplied in 2016-17

- (b) Contract for supply of 18 YDM 4 locomotives to Myanmar Railways (Rs. 215 Crore) in March, 2016. Locos are likely to be exported in financial year 2016-17 and 2017-18.
- (c) RITES has already submitted its offer to Sri Lankan Railways. Technical negotiations are on and company is hopeful of securing business in near future."

#### IV. FINANCIAL PERFORMANCE

30. As regards the financial performance of RITES during the years from 2010-11 to 2014-15, the following information was furnished to the Committee:

Rs. In crore

Financial Parameter	2010-11	2011-12	2012-13	2013-14	2014-15
Total Income	842	934	1076	1246	1166
Profit after tax	244	164	245	264	306
Net Worth	876	1001	1195	1397	1628
Dividend	49	33	50	53	62

31. Asked to state the financial performance of RITES during the abovesaid years vis-a-vis the MoU targets, the Ministry furnished the following details:

S. No	Parameter	Financial Years									
		2010-11		2011-12		2012-13		2013-14		2014-15	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
1	Turnover (Operating) – Rs. In crore	678	698.32	800	835.63	920	952.96	990	1093.46	1060	1015.17
2	Gross Margin - Rs. In crore	140	193.47	165	174.43	212	220.19	215	246.85	227	335.96
3	Operating Turnover /Per employee (Rs. In lacs)	22.07	22.44	22.85	25.37	23.59	29.35	29.12	32.16	30.50	29.21
4	Overall rating	Excellent		Excellent		Excellent		Excellent		Excellent	

32. A perusal of the above details revealed that the operating turnover of RITES had consistently exceeded the targets from 2010-11 to 2013-14. But in 2014-15 it had fallen short by around Rs. 45 crore.

33. In the above context, the Committee desired to be apprised of the reasons for shortfalls in the year 2014-15, the position during 2015-16 and the anticipated achievements during 2016-17. In reply, the Ministry stated as under:

"The decline in the turnover is mainly on account of lower export sales of Rs. 149 crore during 2014-15, as against Rs. 405 crore in 2013-14. However, turnover from other business segments excluding exports has registered an increase of 26% over the last year. The decline in the export sales was because offers submitted to Myanmar, Bangladesh and Sri Lanka for rolling stock to be financed under Line of Credit extended by Government of India, totaling around Rs. 1000 Crore could not be finalized by the respective Governments because of change of Government. In these countries or delay in starting procurement by them and in view of the same, the company could not secure any major export orders during financial year 2013-14 and 2014-15 except contract for supply of 120 BG LHB coaches to Bangladesh Railways of Rs. 485 Crore in January, 2015. As there is a gestation period of about 15-20 months to deliver rolling stock after award of the contract, partial turnover against the said contract has been accounted for in the financial year 2015-16 (Rs. 165 Crore) and the balance will be accounted for in 2016-17.

The shortfall as stated above of Rs. 45 crore in the turnover is in respect of operating turnover of the company vis-à-vis target for 'Excellent' rating under the MOU. The target for 2014-15 was Rs.1060 crore while the company has achieved a turnover of Rs.1015 crore only against the

same. Gross turnover during 2015-16 was Rs. 1294 Crore with an operating turnover of Rs. 1087 Crore which is more than the target of Rs. 1070 Crore in the MOU for 'Excellent' rating. The target of operating turnover for 'Excellent' rating in the MOU for the financial year 2016-17 is Rs. 1225 Crore. The company is making all efforts to achieve the said target."

34. Elaborating the point, the CMD, RITES deposed in evidence that during the year 2015-16, the total income of RITES was Rs. 1294 crore which was 11% higher than the previous year i.e. 2014-15 and the profit was Rs. 515 crore which was highest till date.

35. The Committee asked about the specific efforts made by the Company to achieve 'Excellent' rating during 2016-17. In response, the Ministry stated as under:

"The target turnover of Rs. 1225 crore fixed in MOU 2016-17 will be met out of existing business in hand. Besides, significant contribution from domestic consultancy and leasing, the company is likely to export Rolling Stock to Bangladesh Railways and Senegal of around Rs.330 crore and will also get income of around Rs. 150 crore from two Turnkey projects viz Construction of third line in Pendra Road - Anuppur section (50.10 km) of Bilaspur division of South East Central Railway & Project Management Consultant (PMC) for Gooty - Dharmavaram doubling works for South Central Railway, which the company received during the year 2016-17. Although target for turnover is stiff, but the company will make all efforts to achieve the same."

36. The Committee then desired to be apprised of the category wise share of RITES' business during 2015-16 in terms of capital and performances vis-a-vis consultancy, exports, leasing and construction activities. In response, the Ministry furnished the following information in a tabular form:

S. No.	Income	(Rs. in Crore)	Share in total operating income
1	Consultancy	763	70%
2	Export Sales	186	17%
3	Leasing	99	9%
4	Construction Projects	39	4%
<b>Total</b>		<b>1087</b>	<b>100%</b>

37. The Ministry also apprised as under:

“RITES is a primarily a consultancy organization and does not require heavy capital expenditure. The capex incurred by the company so far is towards land and building, survey equipments, furniture & fixture, AC plant, computers, vehicles and locos owned by the company for leasing. Except loco leasing, all assets were used for all business segments and will not be possible to allocate these assets to each segment.”

38. In evidence, the Committee desired to be apprised of the reasons for a huge gap between the share of RITES in Consultancy and Construction services. In reply, the CMD submitted that the construction activities of RITES started only recently. Asked to state whether the Company intended to make greater efforts to increase the share in construction services, the CMD, RITES responded:

“...We want to grow top line as well as bottom line.”

39. The Committee then asked about RITES’ income from domestic projects and exports/overseas projects. In reply, the Ministry furnished the following comparative data:

(Rs. in Crore)

Year	Domestic Turnover (A)	Exports (B)	Total Operating Turnover
2011-12	504	332	836
2012-13	612	341	953
2013-14	649	445	1094
2014-15	821	194	1015
2015-16	852	234	1087

40. A perusal of the above data revealed that the domestic turnover had consistently increased since 2011-12 whereas the Export turnover had decreased to Rs. 194 crore in 2014-15 from Rs. 445 crore in 2013-14.

41. In the above context, the Committee desired to know the reasons for a decline in export turnover and measures taken to increase the exports in future. In reply, the Ministry submitted as follows:

“Turnover of Rs. 445 crore for 2013-14 and Rs. 195 crore for 2014-15 as indicated in the question is for export of rolling stock, Consultancy abroad and overseas leasing income. While there has not been any considerable change in the leasing and consultancy fee, in the year 2013-14 and 2014-15, but export sales have been at Rs.149 crore in 2014-15 as against Rs. 404 crore in the previous year. Decline in the export sales was because offers submitted to Myanmar, Bangladesh and Sri Lanka for rolling stock to be financed under Line of Credit extended by Government of India, totalling around Rs. 1000 crore, could not be finalized by the respective Governments because of change of Government in these countries or delay in starting procurement by them. In view of the same, the company could not secure any major export orders during financial year 2013-14. In 2014-15 contract for supply of 120 Broad Gauge (BG) LHB coaches to Bangladesh Railways of Rs. 486 crore was secured in January, 2015 and supply of 18 YDM4 locos to Myanmar Railways of Rs. 215 crore was secured in March 2016. There is a gestation period of about 15-20 months to deliver rolling stock after award of the contract. Projection of domestic turnover and exports (overseas business) during 2016-17 are Rs. 865 crore and Rs. 360 crore respectively.”

42. Asked to state the profit margin in domestic vis-a vis overseas projects and efforts made by RITES to bag more overseas projects, the Ministry submitted as follows:

“The margins in the international business vary from country to country, nature of business and other factors like new area of operations. Whenever there is competition, margins are kept low to win the contract. It will not always be true to say that international projects are more lucrative than domestic projects. Company is constantly keeping track of international tenders

floated in the market. Company has subscribed to websites containing information about tenders. Information gathered from such sites is circulated to various strategic business units for taking it forward. Company also keeps an eye on the line of credit extended by Govt. of India from time to time and explore the opportunities for securing business. The company also gathers information from various sites of funding agencies, Indian High Commissions abroad and through the team working overseas.”

43. The Committee then asked about the specific and innovative measure taken by RITES, as the first PSU of the Ministry of Railways, to earn more revenue for the Indian Railways. In reply, the Ministry stated as under:

“RITES was set up in 1974 primarily to render consultancy services abroad in railway sector. Over a period of time, to increase the revenue, the company has diversified into other transport sectors also like highways, ports, waterways, airports, metros etc. besides entering into export of rolling stock in mid 90s and leasing of locomotives to overseas and non-railway domestic clients. Today RITES is well recognized for its comprehensive services as consultants in all facets of transports. RITES is also rendering project management services in civil construction contracts. Recently, RITES has further diversified its activities in : i) Power generation and trading through one of its subsidiaries called Railway Energy Management Company Limited (REMCL) where 51% of equity is held by RITES and the balance 49% is held by Ministry of Railways, ii) Domestic leasing of locomotives to non-railway clients, iii) setting up of a wagon factory at Kultu Dist. Bordhman, West Bengal in Joint Venture with SAIL, for manufacture and rehabilitation of wagons, iv) securing high value contracts of PMC for construction of double line electrified railway track with S&T System and related infrastructure for Rewari-Dadri and Badodra-JNPT section Phase II of DFCCIL.

RITES is a separate legal entity under the administrative control of Ministry of Railways and has no direct contribution in the operation, running and revenue of Indian Railways except for the dividend it pays annually. However, for export of rolling stock and leasing of locomotives, the procurement is done from production units of Indian Railways and accordingly contribution is being made in enhancing the revenue of Indian



gradation projects and setting up of new workshops of Indian Railways which will increase the production capacity of the Railways resulting in increase of revenue.”

## V. CHALLENGES/CONSTRAINTS

44. As regards the challenges/constraints/impediments face by the Company, the Ministry submitted as under:

- “a) Offers submitted to Myanmar and Sri Lanka for rolling stock to be financed under line of credit extended by Govt. of India, totalling around Rs. 600 Crore, have not yet materialized. The company is exporting rolling stock to SAARC countries and in Africa. Most of these projects are funded against Indian Line of Credit. Despite the requirement, the clients are not able to place order for want of funding. This is affecting the export business of the company.
- b) Major projects of NTPC with RITES such as MEJA and LARA are struck due to land problems. Land issues and environment approvals have complicated the implementation process and thereby affecting the implementation of most of the infrastructure business in hand of Company and have direct impact on Turnover.”

45. Asked to state categorically the Company’s plan of action to overcome the challenges like stiff competition from International Consultancy firms, attrition of talent etc., the Ministry stated as under:

### “(i) Decrease in number of works on nomination basis

Some of the clients including government departments are reluctant in awarding consulting works on nomination basis to PSUs. As a result of the said order, pure consultancy works are shrinking. Also it takes longer for project authorities to award the work which is one of the many reasons for time delay of projects.

### (ii) Competition from international consultancy firms

Competition from large international consultancy firms, at times, gets vitiated, as they bag the consultancy assignment on

strength of profile of the overseas Principals. This is happening in Metro Projects, Airport Projects and other related sectors of RITES domain.

In certain cases the eligibility criteria are set so stringent that Indian Consulting firms would not fulfill. However, Indian subsidiaries of many International Consulting firms do qualify such eligibility requirements by utilizing credentials of their parent companies.

(iii) Competition from small Private Firms in consultancy who bag works where QCBS system is yet to be implemented.

Guidelines have already been issued by some of the Govt. Departments / Ministries viz. Ministry of Finance and Ministry of Road Transport and Highways for following QCBS system (Quality cum Cost Basis Selection) for selection of consultants where higher weightage is given to experience and qualification of consultant over their financial offer. However, the said QCBS system is not being followed by some of the Ministries / Departments as a result of which, small private players are in a better position to win the consultancy assignments.

(iv) Retention of talent pool

There is difficulty in retention of skilled manpower since they are offered higher package by the private firms including International Organizations who are not required to follow the pay structure/terms of employment mandatorily to be followed by PSUs. They are more flexible in the employment terms and conditions.

(v) Strategy to meet challenges

- a) RITES is entering into consortium with foreign consultancy organizations to submit joint bid for specialized projects involving new technology like high speed rail, metros, DFCs, bridges & tunnels.
- b) Also, there is focus on specialized training to employees and exposing them to such projects.
- c) With the revision of pay which is under way, it is expected that attrition rate would also come down. Pay Revision Committee is being requested to give flexibility to consultancy

organizations to pay additional allowances / benefits to highly skilled employees.

d) Having lateral entry of experts at different levels to meet the specialized manpower requirement.”

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## PART-II

### OBSERVATIONS/RECOMMENDATIONS

1. The Committee note that RITES Ltd. Which was earlier known as 'Rail India Technical and Economic Services' is a zero debt company with consistent track record of healthy earning and dividend. Over the years, since its inception in 1974, the company has grown from Railway consultant to a multidisciplinary entity specializing in design, engineering, consultancy and project management in India and overseas. The domestic assignments of RITES are mostly from the Indian Railways, National Thermal Power Corporation (NTPC), Steel Authority of India Ltd. (SAIL), Damodar Valley Corporation (DVC), Container Corporation of India Ltd. (CONCOR), Coal India Ltd. (CIL), Mahanadi Coalfields Ltd. (MCL), Rashtriya Ispat Nigam Ltd. (RINL) and several private companies in Steel, Power, Mining and Port sectors. Among the various domestic ventures, RITES has taken up up gradation of Railway workshops, preliminary engineering-cum-traffic study for the proposed Dedicated Freight Corridors (DFCs), Metro Projects, Project Management Consultancy (PMC) and Detailed Project Report (DPR) for defence projects and commissioning of Renewable Energy Projects etc. So far as upgradation of workshops is concerned, the Committee find that two workshop for upgradation projects have been completed by

RITES at Rail Coach Factory (RCF)/Kapurthala and Integrated Coach factory (ICF)/Chennai. Further, one new workshop (Bogie Manufacturing Shop) at Budge Budge/West Bengal has been set up for RCF/Kapurthala. Since coaches produced at RCF and ICF contribute to the revenue of Indian Railways, the Committee desire that more such projects should be undertaken by RITES and the Railway Board, on their part, should encourage and extend all requisite patronage to RITES in its endeavours, given the company's proven expertise and excellent track record.

2. The Committee further note that RITES has recently completed preliminary engineering-cum-traffic study for the two proposed DFCs i.e. North-South Corridor and East-West Corridor. Similarly, the study for the East Coast Corridor and Southern Corridor is under progress. The Committee also find that for four projects in Eastern DFC and for six projects in Western DFC, RITES has given its final reports between January, 2006 to February, 2016. The Committee recommend that the Railway Board should make concerted efforts to speed up completion of those DFC projects for which RITES has submitted its final study reports. The Committee also desire that RITES should expedite its preliminary engineering-cum-traffic study for the East Coast Corridor and Southern Corridor with a view to enabling the Railways to complete the DFCs

to sustain competition and ensure timely delivery of freight to the customers.

3. The Committee also note that RITES is involved in a number of Metro projects in the country to conduct feasibility, DPR, general engineering, interim and design consultancy and independent quality monitoring studies. In this context, the Committee are glad to find that for Kanpur, Varanasi, Meerut, Guwahati, Kochi and Ahmadabad Metro Projects, RITES has already submitted its final DPRs after incorporating all the observations of the stakeholders. For the Chennai Phase-2 Metro Project RITES has submitted its topographical survey and investigation report and the target date for the submission of the final DPR is December, 2016. While lauding the performance of RITES in conducting and submitting the feasibility studies/DPR within the stipulated time frame for the above said six metro projects, the Committee believe that the final DPR for the Chennai Phase-2 Metro Project would be submitted by the company by 31st December, 2016 and the consultancy assignments for the Nagpur and Delhi Phase-3 metro projects would be accomplished to bring in more laurels for the company as well as to generate more revenue for the Indian Railways.

4. The Committee are pleased to note that due to RITES' expertise in providing consultancy and project management services for complex projects including

defence projects, the company has been able to bag two projects from the Indian Navy on nomination basis, with fixed percentage of fee. What is more encouraging is RITES' preparedness to take up more such complex projects in future. The Committee appreciate the willingness and capabilities of RITES to take up complex defence projects and recommend the Railway Board to extend all possible support to the company to get and accomplish more such projects in national interest.

5. The Commissioning of a 25 MW wind mill power plant on 16th October, 2015 at Jaislamer through Railway Energy Management Company Ltd. (REMCL), a Joint Company of RITES Ltd. and the Indian Railways is another praiseworthy domestic venture of RITES. However, the delay in issue of No Objection Certificate (NOC) by most of the State Governments is a matter of concern to the Committee as it impedes REMCL's plan to extend commissioning of similar wind mill power plants to all the States. As setting up of wind mill power plants would reduce carbon footprints of the Railways besides causing substantial revenue savings, the Committee urge the Railway Board/RITES to earnestly pursue the matter with the State Governments concerned for timely obtaining the NOC so as to enable REMCL to commission wind mill power plants in all the Zonal Railways.

6. The Committee note that RITES provide export services as 'The Total Package' for supply of locomotives and rolling stock, equipment for workshops/Railway systems as well as modernization of workshops to overseas Railway organizations. In this context, the Committee observe that as a result of continued efforts, RITES has recently secured two high value contracts i.e. one from Bangladesh Railways to supply 120 BG LHB Coaches (Rs. 485 crore) and another from Myanmar Railways for supply of 18 YDM 4 locomotives (Rs. 215 crore). RITES has also submitted its offer to Sri Lankan Railways for supply of coaches/locos and the company is hopeful of securing the contract. The Committee take note of the commendable overseas ventures of the Company and trust that RITES would be able to supply the coaches/locos to Bangladesh Railways and Myanmar Railways within the stipulated deadline as per the contractual agreements. The Committee are also hopeful that RITES with its excellent track record would strive to bag more such overseas contracts including that of Sri Lankan Railways so as to further its business credentials and earnings.

7. RITES has been trying to participate in Railway related projects as technical consultant and operation and maintenance provider for upcoming railway systems in some of the Gulf countries. But the Committee are deeply concerned to note that there is a huge technology gap



between the requirements of the Gulf countries and the available technology in India for which it is becoming difficult for RITES to secure contracts in Gulf countries which are looking for higher speeds and better rolling stocks than prevailing on Indian Railway systems. However, the Committee draws consolation from the statement of the CMD, RITES that if proper training is imparted the requirements of the Gulf countries can be catered to in five to seven years. The Committee impress upon the Railway Board/RITES to make concerted efforts to impart requisite and specialised training to the Railway Engineers/Professionals/Technicians so that RITES is able to secure lucrative contracts from the Gulf countries by adequately catering to higher technological requirements.

8. The Committee note that from 2010-11 to 2014-15, the financial performance of RITES has got 'Excellent' rating. However, though the operating turnover of the Company has consistently exceeded the targets from 2010-11 to 2013-14, it has fallen short by around Rs. 45 crore in 2014-15 on account of lower export sales because of non-finalization of Line of Credit by the Government of India due to change in Governments in Bangladesh, Myanmar and Sri Lanka. During the year 2015-16, the operating turnover of the company was Rs. 1087 crore which is more than the target of Rs. 1070 crore in the MOU for 'Excellent' rating. The Committee appreciate that during 2015-16, the total income of RITES was Rs. 1294

crore which is 11 percent higher than the preceding year. What is more laudable is the profit of Rs. 515 crore during 2015-16, which is the highest till date. The Committee, while taking note of the commendable financial performance of RITES, desire that the Company should continue to make all out efforts for maintaining the momentum in earning more profits and getting 'Excellent' rating in future too.

9. The Committee further observe that the domestic turnover of RITES is much higher than the exports business during the years from 2011-12 to 2015-16. The Ministry have submitted that the margins in the international business vary from country to country, nature of business and other factors like new area of operations. The Ministry have also stated that whenever there is stiff competition, margins are kept low to win overseas contract. RITES is, therefore, constantly keeping track of international tenders floated in the market besides gathering information on various funding options. The Committee feel that these are steps in right direction which should be persisted with to enable RITES for securing more and more overseas contracts, profit margins notwithstanding.

10. The Committee are pleased to note that though RITES was set up with the primary objective of providing consultancy services in the railway sector both inside and

outside the country, it has diversified into other transport sectors like highways, ports, waterways, airports, metros etc. with a view to increasing its revenues. As RITES is well recognized for its comprehensive services as consultants in all facets of transports, the Committee desire that the company should exploit its full potential and expertise to further cement its place in both domestic and overseas assignments and continue to earn more revenue for the Indian Railways.

11. The Committee note with concern that offers submitted to Myanmar and Sri Lanka for supply of rolling stocks to be financed under Line of Credit extended by the Government of India, totaling around Rs. 600 crore, have not yet materialized due to want of funding. It is also worrisome to find that due to land problems and delay in environmental approvals, major projects of NTPC with RITES are adversely affected. The Committee urge the Railway Board to intervene and take up the issues with the appropriate Authorities concerned so as to ensure that RITES is not inconvenienced in smoothly implementing its domestic and overseas business assignments.

12. Decrease in number of works on nomination basis, competition from large international consultancy firm, difficulty in retention of skilled manpower etc. are some other constraints/challenges that are being faced by RITES. The Committee appreciate to note that with a view

to overcoming the said problems, RITES is entering into consortium with foreign consultancy organizations besides focusing on specialized training programmes for the employees etc. The Committee desire that the measures initiated be intensified and other innovative steps be explored so that RITES is able to meet the challenges and continue to maintain its excellent track record in securing and implementing domestic and overseas contracts. The Railway Board on their part, should extend all possible help/support to enable RITES to generate more revenue for the Indian Railways.

New Delhi:  
14 December, 2016  
23 Agrahayana, 1938 (SAKA)

BHARTRUHARI MAHTAB  
CHAIRPERSON  
RAILWAY CONVENTION COMMITTEE

## RAILWAY CONVENTION COMMITTEE (2014)

### MINUTES OF THE FOURTEENTH SITTING OF THE COMMITTEE

The Committee sat on Thursday, the 21<sup>st</sup> April, 2016, from 1130 hrs. to 1230 hrs. in Room No.-G-074, Parliament Library Building, New Delhi.

#### PRESENT

Shri Bhartruhari Mahtab - Chairperson

#### Members

##### Lok Sabha

2. Shri Rahul Ramesh Shewale

##### Rajya Sabha

3. Dr. Vijaylaxmi Sadho  
4. Shri Arvind Kumar Singh

#### Secretariat

1. Sh. K. Vijaykrishnan - Additional Secretary  
2. Sh. M. K. Madhusudhan - Director  
3. Sh. D. R. Mohanty - Additional Director

#### Witnesses

##### Representatives of the Ministry of Railways (Railway Board)

1. Sh. Hemant Kumar - Member (Mechanical) and Ex-officio Secretary to the Government of India  
2. Sh. Shahzad Shah - Additional Member (Budget)  
3. Sh. H.K. Kala - Additional Member (Planning)  
4. Sh. R.S. Kochak - Additional Member (PU)  
5. Sh. Rajeev Mehrotra - Chairman and Managing Director (RITES)

2. At the outset, the Chairperson welcomed the Members and the representatives of the Ministry of Railways (Railway Board) and RITES Ltd. to the sitting of the Committee, convened to have a briefing by the representatives of the Ministry of Railways (Railway Board) on the subject "Consultancy, Engineering and Project Management Services by RITES Limited". Impressing upon the witnesses, the Chairperson asked the Member (Mechanical) and Chairman and Managing Director, RITES Ltd. to brief the Committee on various activities under taken by RITES Ltd. and specific achievements made by it in core services like transportation, infrastructure development, operation and maintenance etc. in Railways, Urban Transport, Metro Projects, Highways, Ports and other areas both inside and outside India.

3. Accordingly, The Chairman, RITES Ltd., gave a brief presentation covering the financial and physical performance of the company existing and emerging business opportunities of RITES. The representatives of the Ministry also responded to various queries raised by the Members. As some queries required detailed and statistical reply, the Chairperson asked the Member (Mechanical)/Chairman, RITES Ltd. to furnish written reply on the same, within a period of 10 to 15 days. The Member (Mechanical) assured to comply.

4. The Chairperson thanked the witnesses for appearing before the Committee and for furnishing the available information that the Committee desired in connection with the examination of the subject.

The witnesses then withdrew.

A verbatim copy of the proceedings was kept on record.

The Committee then adjourned.

RAILWAY CONVENTION COMMITTEE (2014)

MINUTES OF THE NINETEENTH SITTING OF THE COMMITTEE

The Committee sat on Tuesday, the 30<sup>th</sup> August, 2016, from 1500 hrs. to 1600 hrs. in Room No.-G-074, Parliament Library Building, New Delhi.

PRESENT

Shri Bhartruhari Mahtab - Chairperson

Members

Lok Sabha

2. Shri K. Ashok Kumar
3. Shri Rahul Ramesh Shewale
4. Shri Bharat Singh
5. Shri K.C. Venugopal

Rajya Sabha

6. Shri T.K. Rangarajan
7. Shri Abdul Wahab

Secretariat

1. Sh. K. Vijayakrishnan - Additional Secretary
2. Sh. M. K. Madhusudhan - Director
3. Sh. D. R. Mohanty - Additional Director

Witnesses

Representatives of the Ministry of Railways (Railway Board)

1. Sh. A.K. Mital - Chairman, Railway Board
2. Sh. S. Mookerjee - Financial Commissioner, Railways
3. Sh. Hemant Kumar - Member (Rolling Stock)
4. Sh. Shahzad Shah - Addl. Member (Budget)
5. Sh. Girish Pillai - Addl. Member (T&C) and Planning
6. Sh. R.N. Misra - Addl. Member (PU)
7. Sh. Rajeev Mehrotra - Chairman and Managing Director, RITES

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee and solicited their views on selection of some additional subjects for examination. After some discussions, the Committee selected the following subjects for examination and report:

- (I) Track Upgradation & Modernisation
- (II) Staff Welfare Measures in Indian Railways
- (III) Maintenance of Rolling Stocks
- (IV) Vigilance in Indian Railways

3. The Committee also decided to undertake an On-the-Spot Study Visit to various Zonal Railways, during October, 2016 to get first-hand knowledge on the subjects under examination.

4. Thereafter, the representatives of the Ministry of Railways (Railway Board) and RITES were called in and the Chairperson welcomed them to the sitting of the Committee, convened to take further evidence on the subject "Consultancy, Engineering and Project Management Services by RITES". Impressing upon the witnesses to keep the proceedings of the Committee 'Confidential' the Chairperson asked the Chairman, Railway Board, to update the Committee on further developments on various activities undertaken by RITES.

5. Accordingly, the Chairman, Railway Board, and the CMD, RITES, highlighted the status of various ongoing and future projects undertaken by the company in Railways, Ports, Highways, Defence and other sectors. They also responded to various queries raised by the Members on the subject matter. As some queries required detailed and statistical reply, the Chairperson asked the Chairman, Railway Board, to furnish written replies to the same, within a period of 10 to 15 days. The Chairman, Railway Board, assured to comply.

6. The Chairperson thanked the witnesses for appearing before the Committee and for furnishing the available information that the Committee desired in connection with the examination of the subject.



The witnesses then withdrew.

A verbatim copy of the proceedings has been kept on record.

The Committee then adjourned.

RAILWAY CONVENTION COMMITTEE (2014)

MINUTES OF THE TWENTY-SEVENTH SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 14<sup>th</sup> December, 2016, from 1500 hrs. to 1545 hrs. in Room No. G-074, Parliament Library Building, New Delhi.

PRESENT

Shri Bhartruhari Mahtab - Chairperson

Members

Lok Sabha

2. Shri Kamalbhan Singh Marabi
3. Shri Janak Ram
4. Shri Rahul Ramesh Shewale

Rajya Sabha

5. Shri T.K. Rangarajan
6. Shri Ranvijay Singh Judev
7. Shri Derek 'O' Brien
8. Shri Abdul Wahab

Secretariat

1. Sh. Sukhi Chand Chaudhary - Joint Secretary
2. Sh. M. K. Madhusudhan - Director
3. Sh. D. R. Mohanty - Additional Director

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to consider and adopt the draft Reports on the subjects (i) Consultancy, Engineering and Project Management Services by RITES and (ii) Scrap Disposal System in Indian Railways respectively. Giving an overview of the important

recommendations contained in the Draft Reports, the Chairperson solicited the views/suggestions of the Members.

3. The Committee then took up for consideration the following Draft Reports:

(i) Consultancy, Engineering and Project Management Services by RITES.

(ii) Scrap Disposal System in Indian Railways

4. After some discussions, the above Draft Reports were adopted by the Committee.

5. The Committee, then, authorized the Chairperson to finalize the Reports in the light of consequential changes that might arise out of factual verification of the Draft Reports and present and lay the same to both the Houses.

The Committee then adjourned.