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**STANDING COMMITTEE ON RAILWAYS
(2016-17)**

SIXTEENTH LOK SABHA

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

OUTSTANDING DUES FOR INDIAN RAILWAYS

SIXTEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2017/ Shravana, 1939 (Saka)

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(2016-17)**

(SIXTEENTH LOK SABHA)

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

OUTSTANDING DUES FOR INDIAN RAILWAYS

Presented to Lok Sabha on 10.08.2017

Laid in Rajya Sabha on 09.08.2017



LOK SABHA SECRETARIAT

NEW DELHI

August, 2017/ Shravana, 1939 (Saka)

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COMPOSITION OF STANDING COMMITTEE ON RAILWAYS (2015-16)

Shri Dinesh Trivedi - Chairperson

MEMBERS

LOK SABHA

2. Shri E. Ahamed
3. Shri Kunwar Pushpendra Singh Chandel
4. Shri Ram Tahal Choudhary
5. Shri Sanjay Dhotre
6. Shri Gourav Gogoi
7. **Vacant***
8. Shri Chandra Prakash Joshi
9. Shri Ramesh Kaushik
10. Shri Gajanan Chandrakant Kirtikar
11. Shri Balabhadra Majhi
12. **Vacant***
13. Shri K.H. Muniyappa
14. Shri A.T. Nana Patil
15. Shri R. Radhakrishnan
16. Shri M. Raja Mohan Reddy
17. Shri Lakhanlal Sahu
18. Shri Ganesh Singh
19. Shri Uday Pratap Singh
20. Shri Narasimham Thota
21. Shri S.R. Vijayakumar

RAJYA SABHA

22. Shri A.K. Antony
23. Sh. Satish Chandra Misra
24. Shri Mukut Mithi
25. Shri Dilipbhai Pandya
26. Shri T. Rathinavel
27. Shri Bashistha Narain Singh
28. Shri Shwait Malik
29. Shri Devender Goud T.
30. Shri Alok Tiwari
31. Shri Motilal Vora

* Shri Arjun Ram Meghwal and Shri Rajen Gohain ceased to be Member consequent upon their appointment as Minister in Govt. of India w.e.f. 05.07.2016

COMPOSITION OF STANDING COMMITTEE ON RAILWAYS (2016-17)

Shri Sudip Bandyopadhyay - Chairperson

MEMBERS

LOK SABHA

2. Shri P.K. Kunhalikutty*
3. Kunwar Pushpendra Singh Chandel
4. Shri Ram Tahal Choudhary
5. Shri Rajeev Shankarrao Satav#
6. Shri Sudheer Gupta
7. Shri Chandra Prakash Joshi
8. Shri Ramesh Kaushik
9. Shri Gajanan Chandrakant Kirtikar
10. Shri Balabhadra Majhi
11. Shri K.H. Muniyappa
12. Shri A.T. Nana Patil
13. Shri R. Radhakrishnan
14. Shri M. Raja Mohan Reddy
15. Shri Lakhanlal Sahu
16. Prof. (Dr.) Ram Shanker
17. Shri G.M. Siddeshwara
18. Shri Ganesh Singh
19. Shri Uday Pratap Singh
20. Shri Narasimham Thota
21. Shri S.R. Vijayakumar

RAJYA SABHA

22. Shri A.K. Antony
23. Shri Ranvijay Singh Judev
24. Shri Shwait Malik
25. Shri Satish Chandra Misra
26. Shri Mukut Mithi
27. Shri Garikapati Mohan Rao
28. Shri T. Rathinavel
29. Shri Bashistha Narain Singh
30. Shri Alok Tiwari
31. Shri Motilal Vora

@ Constituted w.e.f. 01.09.2016 vide Lok Sabha Bulletin Part II No.4105 dated 15.09.2016

* Shri E. Ahmed passed away on 01.02.2017 (Ref.: Lok Sabha Sectt. Notification No.24/4(1)/2017/T(B) dated 01.02.2017). Shri P.K. Kunhalikutty was nominated w.e.f. 19.07.2017 (Ref.:LS Bulletin Part II No.5526 dated 19.07.2017)

Shri Rajeev Shankarrao Satav was nominated in place of Shri Gaurav Gogoi vide LS Bulletin Part II No.5163 dated 28.03.2017

LOK SABHA SECRETARIAT

- | | | | |
|----|----------------------------|---|-------------------------|
| 1. | Smt. Abha Singh Yaduvanshi | - | Joint Secretary |
| 2. | Shri Arun K.Kaushik | - | Director |
| 3. | Smt. Geeta Parmar | - | Deputy Secretary |
| 4. | Shri Vivek Saini | - | Sr. Committee Assistant |

INTRODUCTION

I, the Chairperson, Standing Committee on Railways (2016-17), having been authorised by the Committee to present the Report on their behalf, present this Sixteenth Report of the Standing Committee on Railways on 'Outstanding Dues for Indian Railways'.

2. This Report is based on facts and figures submitted by the Ministry of Railways and the depositions made by the representatives of the Ministry of Railways (Railway Board) before the Committee on 16.12.2015 and 29.11.2016. The Committee considered and adopted the Report at their sitting held on 04.08.2017. Minutes of the related sittings are given in the Appendix to the Report.

3. 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 information that the Committee desired in connection with the examination of the subject 'Outstanding Dues for Indian Railways'. They would also like to place on record their appreciation for the assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

4. 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;
8 August, 2017
17 Shrawana, 1939 (Saka)

SUDIP BANDHYOPADHYAY
Chairperson
Standing Committee on Railways

PART I

INTRODUCTORY

Railways' earnings are accounted for monthly on accrual basis. Some of these earnings are, however realized in subsequent months. The unrealized earnings are monitored through a suspense account namely, Traffic Account Suspense, which comprises of Station Outstanding, Cash - in - Transit, Accounts Office Balance Sheet, Miscellaneous and Demands Recoverable. The details with regard to each of the components of Traffic Account Suspense is given in the succeeding paragraphs.

I. Station Outstanding:

One of the major components of the outstanding dues is "Station Outstanding" which comprises of two classes:

- (i) a. Freight outstanding
 - b. Wharfage and demurrage
 - c. Others
- (ii) a. Cash office disallowance
 - b. Accounts office debits (Admitted/Objected)

(i) (a) Freight outstanding: - All 'To Pay' Parcel way bills and invoices received at the stations and also the invoices issued during the month but not received at the destination station, are accounted for in the Station Balance Sheet and the items for which freight charges have not been cleared till the closing of accounts for the month appear as outstanding.

(b) Wharfage/demurrage:- Wharfage charges are levied after the expiry of stipulated period of free time allowed on the consignments brought to the railway premises for dispatch but not consigned, or those available for delivery and not removed. The demurrage charges are levied by the railway for

detention to rolling stock after expiry of free time allowed for loading and unloading.

(c) Others: - Further, unrealized siding charges, shunting charges, haulage charges infringement charges etc. form 'outstanding' under this category. The clearance thereof is followed up with the concerned authorities.

ii (a) Cash office disallowances: If base coins, forged currency notes or short remittances are noticed when cash received from stations is shroffed in the cash office, the correct amount as per count is acknowledged on Cash Remittance Note received from Station with cash. The staff responsible has to make good the deficiency promptly and the amount not made good up to the end of the month is shown as outstanding in the station balance sheet.

(b) Accounts office debits (Error sheets): When a mistake involving short/non-collection of railway dues is noticed during the course of internal check in Accounts Office, the amount short collected, undercharged or unaccounted for, is debited against the station concerned by advising full particulars of the transaction giving rise to the debit through error sheets. The Station master after examining the reasons etc. either admits or disputes the error sheets. The admitted debits are recovered from concerned employee/parties. The objected debits are returned to Accounts Office giving reason thereto and if objection is found correct, debit is withdrawn by the Accounts Office by means of a credit advice. The amounts of all error sheets, whether admitted or objected is taken as special debit in the balance sheet and steps are taken to clear this debit. If the same is not cleared till end of the month, they form part of the closing balance ('outstanding').

(ii). Cash in transit (CIT):- Stations take credit in their balance sheets for cash realized by them in the month irrespective of whether it is remitted to and acknowledged by the cashier in the same month or in the subsequent month. Such station cash for which credit has been allowed to these stations in one month, which has been received in cash office after the 3rd of the

following month and consequently included in the general books of the railway in the following month, is called cash in transit.

However, this exists in the month from April to Feb only. In March account, all the traffic cash of March is accounted for in the general books of the railway by opening the cash books up to 10th April (18th April for NF Railway). Accordingly, CIT is brought to 'nil' in the Annual Accounts.

C. Accounts Office Balance Sheet: - The stations take credit in their station balance sheets for the fares and freight represented by vouchers sent to the Accounts Office in lieu of cash. The realization of this amount and also of similar other amounts which do not pass through the station balance sheet viz. Carriage of postal mail, haulage of postal vans etc. is made through carriage bills. For the purpose of taking the carriage bills into account and watching the realization from the firms or the departments concerned and also for incorporating in the accounts, the traffic cash received otherwise than the station balance sheet, the Accounts Office Balance Sheet is prepared which comprise (i) Opening Balance (ii) Debit indicating amount of carriage bills issued for station vouchers and amount of Misc. Bills (iii) Credit side showing cash and other adjustments made through Reserve Bank of India and (iv) Closing balance representing the unrealized amount of carriage bills. The dues are pursued with concerned paying authorities regularly.

D. Miscellaneous items: This comprises of Cash imprest, time table, indemnity bonds, station withdrawals including encashment of pay orders etc.

E. Demands Recoverable: The balances under 'Demands Recoverable' represent outstanding rent, land and lease charges and interest and maintenance charges on Sidings. The parties concerned are chased up for realization of dues recoverable regularly.

II. Outstanding Dues

1. The position of outstanding dues of Indian Railways, during last three years is given as under:

(Figures Rs. in crore)

Month / year	Station Outstanding	Cash in Transit	Accounts Office Balance Sheet	Miscellaneous	Demands Recoverable	Total
July, 2015	2339.08	416.14	291.42	25.72	331.67	3404.03
July, 2016	1861.20	401.50	247.30	237.22	335.20	3082.47
May, 2017	1764.09	785.92	162.25	41.00	363.93	3117.19

2. The Committee enquired about the yearly targets vis-a-vis achievements in respect of realization of outstanding dues by the Railways during the last ten years, upto 2016-17. The details are given as under:

(Rs. in crore)

S. No.	Year	Opening Balance	Targets for clearance		Actual Clearance/ Accretion	Closing Balance	Variation over Opening Balance (7-3=8)
			BE	RE			
1	2	3	4	5	6	7	8
1	2005-06	1674.77	100	100	86.82	1687.94	13.17
2	2006-07	1587.94	150	100	361.01	1324.02	-263.92
3	2007-08	1226.80	100	100	75.40	1251.52	24.72
4	2008-09	1151.52	100	100	24.78	1226.71	75.19
5	2009-10	1151.71	75	75	-140.68	1367.43	215.72
6	2010-11	1269.43	200	98	10.17	1357.24	87.81
7	2011-12	1310.24	200	47	-43.19	1400.44	90.20
8	2012-13	1355.44	50	45	-168.42	1568.89	213.45
9	2013-14	1518.89	50	50	-297.52	1848.40	329.51
10	2014-15	1798.40	50	50	-361.04	2209.43	411.03
11.	2015-16	2209.43	50	50	542.54 (Clearance)	1666.89	542.54
12.	2016-17	1666.89	100	155	6.73 (Accretion)	1673.62	6.73

It may be seen from the above that except in the year 2006-07 and 2015-16, the target fixed for recovery of outstanding dues could not be achieved.

3. When asked about the reasons for the shortfall, it has been stated that every effort is made for clearance of outstanding dues. However, shortfall occurred due to un-anticipated events viz disputes by parties, Closure of Siding, Court cases etc.

4. In a subsequent information, the achievements vis-à-vis targets fixed with respect to recovery of Outstanding Dues during financial years 2015-16 and 2016-17 have been furnished as under:

(Figures in Rs. crore)

Financial Year	Opening Balance for the year	Target for Clearance	Targeted Closing Balance	Closing balance
2015-2016	2209.43	-50	2159.43	1666.89 (to end of March 2016)
2016-2017	1666.89	-155	1511.89	1673.62(to end of March 2017)

5. Regarding steps being taken/proposed to be taken for expeditious recovery of the outstanding dues, it has been stated that freight accrual and realization is a continuous process and position is monitored concurrently. Special drive for clearance of outstanding dues by forming teams of Accounts and Commercial officials are launched from time to time. Close monitoring of recovery of outstanding dues from State Electricity Board (SEBs) is being done by holding regular meetings with the representatives of the State Electricity Boards/Power Houses and periodical meetings with the Secretaries of the concerned Ministries and the Chief Secretaries of the States. Facility of Electronic Payment, already in vogue on some of the State Electricity Boards is also being extended.

6. Further, the Zonal Railways have been advising outstanding dues of traffic Suspense every month to Board's office for compilation. Railways whose position

reflected deterioration have been instructed to take all required steps to minimize the outstanding by the Board regularly. In this regard, Financial Commissioner(Rly.) has also written to FA&CAOs of Zonal Railways over the position of outstanding to the end of Oct., 2016 and instructed to all Railway Zones whose position deteriorated.

7. To a specific information, the Committee have been informed that major component of Station Outstanding pertains to the State Electricity Boards(SEBs)/Power Houses(PHs). The position at the end of May, 2017 has been summarised as under:

<i>Dues Recoverable from State Electricity Board / Power Houses to end of May' 2017 (Railway wise analysis) (Actual) including freight & other than freight charges. (Fig in crore of Rs.)</i>				
<i>S.No.</i>	<i>Name of State Electricity Board/ PH</i>	<i>March '2017</i>	<i>May '2016</i>	<i>May '2017</i>
<i>1</i>	<i>Andhra Pradesh State Electricity Board</i>	<i>0.00</i>	<i>10.97</i>	<i>1.70</i>
<i>2</i>	<i>Assam State Electricity Board</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
<i>3</i>	<i>Bihar State Electricity Board</i>	<i>1.61</i>	<i>0.90</i>	<i>0.67</i>
<i>4</i>	<i>Delhi Vidyut Board</i>	<i>114.28</i>	<i>114.28</i>	<i>114.28</i>
<i>5</i>	<i>Gujarat State Electricity Board</i>	<i>0.30</i>	<i>0.32</i>	<i>0.24</i>
<i>6</i>	<i>Haryana State Electricity Board</i>	<i>0.05</i>	<i>0.23</i>	<i>0.07</i>
<i>7</i>	<i>Jharkhand State Electricity Board</i>	<i>3.05</i>	<i>8.10</i>	<i>3.05</i>
<i>8</i>	<i>Karnataka State Electricity Board</i>	<i>0.33</i>	<i>3.69</i>	<i>0.37</i>

9	<i>Maharashtra State Electricity Board</i>	39.81	67.18	46.37
10	<i>Madhya Pradesh State Electricity Board</i>	0.07	2.54	3.90
11	<i>Punjab state Electricity Board</i>	446.95	447.01	446.96
12	<i>Rajasthan State Electricity Board</i>	39.55	40.85	45.53
13	<i>Tamilnadu State Electricity Board</i>	2.52	8.20	3.81
14	<i>Uttar Pradesh State Electricity Board</i>	31.35	55.84	60.54
15	<i>West Bengal State Electricity Board</i>	3.40	87.33	38.76
16	<i>Badarpur Thermal Power Station</i>	0.01	0.01	0.01
17	<i>National Thermal Power Corporation</i>	1.85	18.79	10.04
18	<i>Damodar Valley Corporation</i>	0.12	1.69	1.16
19	<i>Private Power House- Sabarmati</i>	0.00	0.00	0.00
20	<i>Reliance Power Supply Company Ltd</i>	0.02	0.07	0.02
21	<i>Durgapur Steel Thermal Power Station, Durgapur</i>	0.00	0.10	0.03
22	<i>M/S Talwandi Sabo Siding, Punjab</i>	7.03	1.26	14.20
	TOTAL	688.60	869.36	783.71

8. It is seen from the above that out of total station outstanding of Rs. 1764.09 crore, Rs. 783.71 crore (44.42%) pertains SEBs/PHs. Again of the SEBs/PHs also, the major outstanding dues is Rs. 446.95 crore against Punjab State Electricity Board (PSEB), Rs. 45.33 crore against Rajasthan State Electricity Board (RSEB), Rs.114.28 crore against Delhi Vidyut Board (DVB) and Rs. 46.37 crore against Maharashtra SEB. Further, PSEB is disputing the dues. Also RSEB has disputed the railway dues and contended to follow the decision in PSEB's case. In case of DVB, the Committee constituted on Northern Railways is examining the case de-novo.

9. It may further be seen from the above that dues recoverable from SEBs/PHs to end of May, 2017 which is Rs. 783.71 crore has marginally decreased as compared to Outstanding Dues at the end of July, 2016 which is Rs. 937.34 crore. Whereas Outstanding Dues at the end of July, 2015, was Rs. 914.34 crore. In reply to a query with regard to such fluctuation in outstanding dues, it was stated that accretion to and clearance of outstanding dues is a continuous process and position of outstanding dues for individual SEBs/PHs keeps on changing from month to month.

10. When enquired about the nature of litigation in Court between PSEB and Railways and also the steps being taken by Railways to represent their case before Supreme Court/High Court in order to recover outstanding dues from PSEB; the Railways in their reply submitted as under:-

“This issue relates to a long standing dispute since 2002 between Railways and Punjab State Electricity Board (PSEB) regarding the levy of 15% “To-Pay” surcharge on Railway Receipts (RRs) issued against the advanced freight payment scheme in those cases where sufficient deposit was not available. Due to dispute, PSEB has not paid the “To-Pay” surcharge and as on October, 2009 the outstanding dues against PSEB were Rs.475.73 crore.”

11. Regarding steps being taken by Railways to recover outstanding dues from PSEB, it has been informed that a Civil Revision Petition No.3462/2015 w.r.t. disputed freight amount of Rs. 381.60 crore has been filed by Northern Railway in the matter of PSEB (now PSPCL) v/s Northern Railway Court. The case is pending before the Hon'ble High Court of Punjab & Haryana at Chandigarh and the matter is being pursued at appropriate level by Northern

Railway. The matter was scheduled to be heard on 31.07.2017; however, the date of hearing has now been postponed to 23.10.2017.

12. To a specific query with regard to exploring the possibilities for alternative legal measures with the Ministry of Law and Justice, it has been stated that since the PSEB (now Punjab State Power Corporation Limited(PSPCL)) v/s Northern Railway court case has already gone for examination before the Apex Court, there is no scope for exploring alternative legal measures.

13. With regard to progress in retrieving the dues from DVB, it has been stated that the Committee constituted to examine the case has submitted its report on 26.01.2016 to FA&CAO & CCM, Northern Railway for acceptance of the recommendations of the report. CCM, Northern Railway, however desired to know the correctness of the methodology adopted by above mentioned Committee in arriving of the figure of the outstanding pertaining to DVB/Indraprastha Power Generation Corporation Limited(IPGCL). Accordingly, FA&CAO/NR has been asked to confirm the correctness of methodology as well as outstanding dues against Delhi Vidyut Board. Regarding present status of recovery of Outstanding Dues from Delhi Vidyut Board, the Ministry in their written reply furnished to the Committee stated that Northern Railway is in the process of reconciling the stated outstanding dues of Rs 114.84 crore to identify any possible impact of readjustment in the methodology of calculation and also to take up the matter with the Ministry of Power in view of the fact that now DVB stands dissolved.

14. When enquired about the reasons for not securing the levy of 15% 'To-Pay' surcharge on Railway Receipt (RRs) in form of Letter of Credit or Bank Guarantee or in some other form, it has been stated that advance payment system was in vogue since 1992 wherein one month advance of freight was taken from the customers (SEBs/PHs) as payment mechanism was manual. In this system advance freight equal to one month freight was taken from the party. To-Pay Railway Receipt (RR) was being issued without claiming To-Pay Surcharge. At destination station, freight was deducted from the advance.

Since the Railways had one month advance available with them, hence the need for Letter of Credit(LC)/Bank Guarantee(BG) was not felt.

15. In this regard, the Chairman, Railway Board submitted as under:

".....We of course, are in touch with respective agencies for clearance of this. Now, we have made changes in our system. Like, we have completely stopped for coal movement for power-houses"and State electricity board. Today, there is nothing like 'to-pay". They have to pay the freight in advance before we move the coal. This problem now is not further accumulating."

III. Empanelled Lawyers with Railways

16. Regarding the procedure followed by the Ministry for empanelment/engagement of lawyers for appearing on behalf of Railways at various levels, viz., lower courts and higher courts, it has been stated that on the basis of recommendation of General Manager of concerned Zonal Railway and interaction held by Legal Adviser Railways, Advocates are empanelled on the existing panel as well as fresh panel. In respect of lower courts, the General Managers of the concerned Zonal Railways are the competent authority for empanelment of advocates falling within their jurisdiction. The lawyers are empanelled for 3 years or until further orders.

17. To a pointed query with regard to the number of lawyers which are in the panel for more than 5 years, the Ministry informed that a total of 414 Advocates in all Zonal Railways are in the panel of Railway Advocates (for all High Court and CATs) for more than 5 years.

18. Asked about the criteria adopted to grant extension of term to the empanelled lawyers, the Ministry stated that extension is granted on the basis of recommendation from Zonal Railways in respect of existing counsels. It has also been added that on the basis of interaction held by Legal Adviser, Railways and recommendation of General Manager of Concerned Zonal Railway, Advocates are engaged based on their performance.

IV. Computer and Information Technology(CIT)

19. According to the Ministry, taking advantage of available computer and information technology (CIT) facilities, efforts are being made to replace the system of issuing of tickets against warrants/credit notes, by net booking

against Rolling Deposit Scheme (RDS) in association with IRCTC, a PSU of Indian Railways. The scheme has already been implemented with Ministry of Defence(MoD), which are already paying money in advance for booking of e-tickets/i-tickets through IRCTC. For booking of e-tickets/i-tickets for Defence personnel, Defence Travel System(DTS) for booking of e-tickets/i-tickets through IRCTC has been developed to replace bookings against warrants. For such bookings, Defence is maintaining RDS account with IRCTC by depositing a specified amount to which the payment against booking of e-tickets/i-tickets is charged and this account is recouped periodically to maintain the minimum amount in this account.

20. It has further been informed that the Ministry of Defence have identified approximately 10,000 Defence units for implementation of Defence Travel System out of which more than 5000 Defence units have been provided with tokens/IDs by CGDA for booking tickets online. It has been added that the Defence have, however, pointed out that about 30% of Army units are located in remote/locations/ships on board where there is no access to internet facility. Internet facilities are also not available during movement for exercises and field firings in remote areas. In these circumstances, issue of manual warrants is necessary. Army is deployed in many high altitude areas/counterinsurgency operation areas and LOC in Northern and Eastern Sectors and troops deployed in these areas have uncertainty in reaching rail head. In such cases they are not in a position to book the rail tickets in advance. Similarly, in case of emergent moves they have to carry warrant with them to exchange it for a ticket. It was, therefore, decided that 40-50 units who have been issued e-tokens should be identified where warrant system can be totally replaced with the DTS w.e.f. July, 2016. Ministry of Defence have been maintaining that it is not feasible to completely do away with warrant system due to various reasons like units being situated in the far flung areas, poor internet connectivity, unreserved ticketing not being included in e-ticketing system etc. However, regular meetings are held with the Ministry of Defence to review the implementation of the scheme. Ministry of Defence have been impressed upon the need to cover all the Defence units under Defence Travel System and book e-tickets only and completely dispense with the issue of

warrants by strengthening their infrastructure and taking other steps in this direction. During the meeting held on 17.05.2017 by the Ministry of Defence to review the progress of implementation of Defence Travel System, Additional Secretary (R)/Ministry of Defence has desired that a Technical Committee with representatives of all stakeholders be constituted and meetings be held every month to resolve such issues arising in implementation of Defence Travel System. It has also been decided to take up the matter of internet connectivity with Department of Telecommunications.

21. Further, with regard to booking of special trains/coaches by IRCTC on behalf of Ministry of Home Affairs(MHA) for movement of paramilitary forces during elections, it has been informed that the procedure laid down in this regard stipulates that IRCTC will approach concerned Zonal Railway for booking of special trains/coaches on behalf of MHA and will pay all the charges except security-cum-registration charges well before 48 hours of the scheduled departure of the train. All the charges including service charge @ 30%, detention charges @ Rs.900 per hour per coach etc. will be levied in full. With regard to levying of service charges and detention charges for defence bookings, the Ministry stated that presently, in case of trains/coaches booked on Full Tariff Rates, service charge of 30% is levied on the base fare and in the case of booking on FTR (Freight Tariff Rate)by IRCTC, service charge is 25%.Further,detention charges are levied for detention of special train/coaches /saloons/tourist cars at the starting, intermediate or destination stations at the rate of Rs.900/-per hour or part of an hour per coach uniformly for BG, MG and NG systems subject to the minimum charge of Rs.1500/-per coach per day without giving any free time.

22. The Ministry of Railways have further informed that postal billing is done monthly on the basis of actual services provided Zonal Railways raise the bills by 10th of the following month to which the bills pertain. Railways send advice of debit against the Department of Posts directly to Reserve Bank of India for affording credit to the Railways and debit the account of Department of Posts. Cases of shortcomings in the bills raised by the Railways are discussed and reconciled in the monthly reconciliation meeting. However, in certain cases, where payment is not given due to dispute in charges to be

levied, Ministry of Railways have taken up the issue of payment of arrears with Department of Posts. No provision has been made for having advance payment in this case. Stating the reasons for not having advance payment in case of postal bookings, the Railways replied that presently, billing and payment of haulage charges for postal traffic is done on the basis of actual services provided by the Railways and on a monthly basis. For this purpose, the Operating Department of the concerned Zonal Railways provides the details of services actually provided to the Department of Posts within three days of every 10-day period to the Traffic Accounts Office to facilitate raising of bills without any delay. The Zonal Railways raise the bills by the 10th of the following month to which the bills pertain. Railways send advice of debit against the Department of Posts directly to the Reserve Bank of India for affording credit to the Railways and debit to the Department of Posts. In case of any shortcoming in the bills raised by the Railways, the same are reconciled after discussion between the Officials of the concerned Zonal Railways and PMG (Post Master General) of the concerned Circle. Further, booking of postal traffic is not fully computerized. The present system for billing and payment of haulage charges for postal traffic is running smoothly. Only in case of dispute on account of charging of fare, sometimes payment gets delayed. Therefore, no change in this system is desirable at present.

23. On being enquired about the proposal, if any, to cover other Ministries/Departments/PSUs or any other Government establishments under net-booking under Rolling Deposit Scheme (RDS) for all Departments in association with IRCTC, status of implementation and time limit for the same, it was stated that the Ministry of Home Affairs has been requested to develop system of booking of e-tickets/i-tickets for para-military forces through IRCTC by opening an RDS account with IRCTC similar to the system developed for Defence units for discontinuing the booking against warrants. MHA is yet to develop the system and this is likely to take some time. At present, this facility is available only for MOD. Since the system of issuing of e-tickets/i-tickets through DTS has been implemented partially and has yet to cover all the Defence units, it is not possible to assess the tangible results at this stage.

Only after the coverage of MOD is completed and tangible results have been obtained, the system can be extended to MHA.

24. When enquired about the usefulness of the system of electronic payment in keeping Outstanding dues at minimal and usefulness of this system in fetching Outstanding dues from various parties, the Ministry of Railways stated that in terms of extant guidelines, prepayment of freight is compulsory for all commodities including coal. Under manual system, coal companies used to give advance freight at destination station and RR was issued against that advance. Due to various reasons, some cases of outstanding cropped up. But this problem has been eliminated through electronic payment system. Under e-payment system, customer keeps money in his bank account. Payment is collected electronically within a fraction of minutes from his bank account before issue of Railway Receipts. Therefore, there is no possibility of outstanding on account of freight. There is a provision of Letter of Credit(LC)/Bank Gaurantee(BG). Railway's may claim and recover from the bank funds equal to the amount of the LC/BG at any time towards freight charges recoverable. This system is beneficial for both rail customers and also Railways.

25. With regard to SEBs where the facility of electronic payment is available and also those SEBs where such facility is not available, the Ministry have stated that there are three units of State Electricity Boards(SEBs) namely generation, distribution and transmission. The generation units are involved in the movement of coal traffic. Presently, in 15 States, generation units of SEBs having transaction with Railways for movement of coal are covered under e-payment system, the details are as under:

S.No.	State	Name of State Electricity Board or its generation unit
1	Andhra Pradesh	Andhra Pradesh Power Generation Corporation Ltd. Andhra Pradesh Power Development Company Ltd.
2	Bihar	Bihar Power Development Corporation Ltd. Kanti Termal Power Station

3	Chattisgarh	Chhattisgarh Power Generation Company Ltd.
4	Gujarat	Gujarat State Electricity Board, Gujarat State Electricity Company Ltd.
5	Haryana	Haryana Power Generation Corporation Ltd.
6	Jharkand	Tenughat Thermal Power Station Jharkhand Urza Utpadan Ltd.
7	Karnataka	Karnataka Power Corporation Ltd
8	Madhya Pradesh	Madhya Pradesh Power Generation Corporation Ltd
9	Maharashtra	Maharashtra State Power Generation Corporation Ltd.
10	Punjab	Punjab State Power Corporation Ltd. Punjab Power Supply Corporation Ltd.
11	Rajasthan	Rajasthan Vidyut Utpadan Nigam Ltd.
12	Tamil Nadu	Tamil Nadu State Electricity Board Tamil Nadu Generation and Distribution Power Ltd. Tamil Nadu Power Company Ltd.
13	Telangana	Telangana Power Generation Corporation Ltd.
14	Uttar Pradesh	Uttar Pradesh Rajya Vidyut Nigam Ltd.
15	West Bengal	West Bengal Power Development Corporation Ltd.

V. Cash Office Disallowance

26. As regards the amount of base coins or forged currency notes or short remittances noticed when cash received from station is shroffed in the cash office, the Ministry stated that as per available record, Rs. 1,11,18,703 have been received during the last 10 years. Out of the same, Rs. 66,16,175 have already made good by staff. Steps taken to check the receipt of forged currency notes are stated to be use of e-mode of payment of railway dues, installation of currency counting/fake currency detecting machine at booking counters etc. Some staff have also been trained by RBI/SBI/Nationalized Banks/Private Banks for detection of Fake Indian Currency Notes (FICN).

27. As regards recovery of the remaining amount of Rs.45,02,528 (Rs. 11118703- Rs. 6616175), it has been stated that the instructions have been issued to Railways for early recovery of the remaining amount within the fixed timeframe. Staffs have been trained by RBI/SBI/Nationalized Banks/Private Banks for detection of Fake Indian Currency Notes (FICN).

28. Asked about guidelines/rules, if any, in Railways selection of booking counters for installing fake currency detecting machines, and no. of booking counters that are proposed to be provided with such facilities, it has been stated that instructions have been issued regarding guidelines for procurement of Fake Currency Detection Machines and Zonal railways were asked to procure & install them at Reservation Offices, PRS Terminals, and Goods Booking Offices etc. where cash is transacted in large amount after making assessment of their need.

29. With regard to time frame, if any, to install fake currency detecting machines at all the booking counters as per the guidelines, it has been stated that as the Zonal railways have to regularly review the requirement of stations where cash handling increases to huge amount, for installing fake currency detection machines, therefore no such guidelines are issued.

VI. Alleged irregularities in transportation of Iron Ore

30. During the sitting of the Committee (2016-17), they pointed out about the dual freight pricing policy and they drew the attention of the Ministry towards the multi-disciplinary criminal investigations led by CBI that has estimated huge losses to the Railways in the iron-ore transportation scam, in which several companies moved iron-ore for exports by paying subsidized rates meant for domestic movement. To this, Chairman, Railway Board clarified as under:

"Hon. Chairperson has raised a point regarding dual freight policy in iron ore. A lot of FIRs have been lodged and CBI has also investigated it. You are well aware of the case because you were in the seat at that time. Basically this was a fraud which was committed by the persons by misusing the facility of cheaper rate which was available for domestic purposes.

In fact, they were required to submit all the documents and our booking clerks were required to see those documents. If the documents itself were forged, our people perhaps did not have that much of expertise to check at that very point of time that the documents were not proper. But when this fraud came to our notice we ourselves had taken it to CBI and got it investigated. The cases have been filed against them and they are being contested. We will submit the latest status on this to the hon. Committee. But we are very serious about it."

31. He further submitted that wherever there is a policy for dual pricing, whether it is for kerosene, LPG or any other product, it is susceptible to some misuse somewhere. In this particular case, whether railway personnel were a party cannot be commented, however, the documentation which was given to railways was correct. But in those papers some forged documents were being submitted to claim a particular benefit and because of that Railway had suffered a lot of amount. Some amount could be recovered but bulk of that amount is still disputed.

32. The Ministry have stated that 47 cases came to the notice of Railway Administration in respect of misleading declaration in Iron Ore traffic and alleged misuse of dual pricing policy. Demand-cum-show cause notices have been served to all the cases, which are now sub-judice in the Supreme Court of India. Case was last heard on 21.07.2017 wherein it has been ordered to list the matter for final disposal in November, 2017.

33. As regards the dues in form of penalty recovered from the exporters who were involved in the scam and the amount of pending recovery, it has been informed that Rs. 172.59 crore has so far been recovered from delinquent firms which evaded Railway Freight by misleading declaration. Total amount claimed to be recovered from various delinquent firms in the Transfer Petition sub-judice in the Hon'ble Supreme Court of India is Rs. 6730.16 crore. Accordingly pending amount is Rs. 6557.57 crore.

34. On being enquired about the interim and long term measures taken/proposed to be taken by the Railways to prevent misuse of Dual Freight Policy, it has been stated that the existing provisions are considered adequate for dealing with cases of misleading declarations by delinquent firms. Railway

Administration has progressively strengthened its control, monitoring and verification mechanism.

35. As regards the details and progress in the matter, it has been informed that as per the information made available by CBI/ACB/Kolkata so far to SER Vigilance regarding CBI enquiry in the freight evasion scam, out of 18 cases registered by CBI/ACB/Kolkata, CBI has filed charge sheets in 10 cases, 03 cases have been closed and 05 cases are under investigation. Out of 10 cases where charge sheets have been filed, information has been shared by CBI with Zonal Railway vigilance in 9 cases so far. Further, information regarding 2 other freight evasion cases where investigation was conducted by CBI/ACB/Ranchi has also been forwarded to zonal vigilance/SER. Out of these 2 cases, CBI/ACB/Ranchi has filed charge sheet in one case and other case is being submitted by them for closure.

36. The investigation by CBI has revealed availing of concessional freight for the transportation of Iron Ore by the accused companies by submitting invalid documents and false declaration that the iron ore would be used for domestic consumption whereas the said iron ore was illegally diverted for export and local trading. CBI report also reveals submission of forged excise returns by the companies by artificially enhancing level of production to get more railway rakes as priority customer.

37. The investigation by CBI in the above cases has resulted in filing of charge-sheets, in the following cases:-

- i) M/s Rashmi Metaliks Ltd (RC-0102012A002)
- ii) M/s Rashmi Ispat Ltd.(Rc-0102012A0025)
- iii) M/s Calster Sponge Ltd.(RC-0102014A0020)
- iv) M/s Aryavarta Steel Ltd.(RC-0102012A0022)
- v) M/s Gagan Ferrotech Ltd. (RC-0102012A0023)
- vi) M/s Haldia Steels Pvt Ltd. (RC-0102012A0027)
- vii) M/s Howrah Gases Ltd. (RC-0102014A0019)
- viii) M/s KIC Metallics Ltd. (RC-0102012A0029)
- ix) M/s Rashmi Cement Ltd. (RC-0102011A0035)
- x) M/s Vishal Sponge Ltd. (RC-12(S)/2012-R)
- xi) M/s Ma Chinamastika Sponge Iron Ltd.

38. To a specific query, with regard to the involvement of some railway employees in this scam and in that case, what action has been decided/taken by the Railways against such employees, it has been replied that certain public servants of Railways have been named in the cases filed by CBI and CBI has sought sanction for prosecution against 01 Gazetted official and advised recommendation for 'Regular Departmental Action' – major penalty against another Gazetted official and 05 number of non Gazetted officials of SER. CBI and has also recommended 'Regular Departmental Action' – Major Penalty and Deemed Fit' action against 56 number of Railway officials of South Eastern Railway (SER). The sanction for prosecution against one Gazetted official and 'Regular Department Action – Major penalty against one Gazetted official and 5 non- Gazetted officials as per the recommendations of CBI are under process. As regards, Regular Departmental Action' – Minor and action 'Deem Fit' against 56 Railway officials, SP/CBI/Kolkata has been requested to provide the draft charge-sheet of the delinquent staff along with related documents. The post-retirement benefits of 2 officials of Eastern Railway have also been withheld till finalization of the respective cases.

VII. Audit Report on Dual Freight Policy for Transportation of Iron Ore

39. When asked to comment on the Audit Report on Dual Freight Policy for transportation of Iran ore traffic in Indian Railways, Report No. 14 of 2015 - Union Government (Railways), the Ministry of Railways have stated that the issues raised in the CAG Report have been examined and reply was sent to CAG office.

40. The booking of iron ore was done based on Rates Circular No.36 of 2009 containing guidelines on dual freight policy for iron ore. As per this policy, the iron ore for domestic consumption in manufacturing in domestic Iron and Steel manufacturing unit and cement industries was charged at Class 180 and in case of iron ore meant for other than domestic consumption (export iron ore), a distance based charge was levied additionally over and above the Class-180. The lower rate for iron ore meant for domestic consumption was

subject to certain terms and conditions and submission of prescribed set of documents.

41. Further, Audit in its report mentioned number of instances where benefit of domestic rate was extended to customers on non-submission or partial submission of documents or after submission of invalid documents. In some cases, though the party had submitted all the requisite documents and availed domestic rate, it later chose to divert the iron ore for trading in open market or for export and thus evaded the freight as domestic rate was applicable for iron ore which was required to be used for manufacturing of iron and steel in designated domestic iron and steel manufacturing unit.

42. It has been supplemented that when Railways, based on their own investigation and assessment, started serving demand cum show cause notices on delinquent freight evading companies, their claim for recovery was challenged by these companies in various High Courts by way of filing Writ Petition. Following the Hon'ble Court granting relief to these companies by way of interim order, Railways were unable to effect any recovery or take penal action such as suspension of business/blacklisting. The leading freight evasion case which was sub-judice before Hon'ble Calcutta High Court's Single Bench related to M/s Rashmi Metaliks Ltd. was ultimately disposed off in favour of Railways. However, the company challenged the orders in Division Bench of Calcutta High Court through MAT 1970 of 2014 with CAN 10686 of 2014. The said Division Bench reversed the verdict of the Trial Court and ruled that Railways do not have any power to suspend business/blacklist those companies. Railways have challenged the orders of Division Bench before Hon'ble Supreme Court of India by way of an SLP. Furthermore, since freight evasion cases pertaining to various Zonal Railways were pending before various High Courts, the legal advice was to approach Hon'ble Supreme Court by way of filing a Transfer Petition under Article 139A of the Constitution of India, for comprehensive hearing of all the cases before the Apex Court. Both the Transfer Petition and the Special Leave Petition filed by Railways are currently pending before Hon'ble Supreme Court of India Since 10.04.2015 and 15.05.2015 respectively. The case was last heard on

21.07.2017 wherein it has been ordered to list the matter for final disposal in November, 2017.

43. It has simultaneously been informed that 47 Show Cause Notices have so far been served on the defaulting companies during different periods. Being aggrieved, most of these companies have approached court of law seeking relief. While the various writ petitions are being contested by Railways assiduously before various legal forums, the then Attorney General of India advised Railways to file Money Suits against these companies, in order to guard against possible transgression of Limitation Act. The Single Bench and Division Bench of High Court, Calcutta also ruled that the only way of recovery left with Railway is to follow the process of filing claims via Civil Suits against these freight evading companies and pursuing them to finality. Accordingly, so far, 17 number of Money Suits have been filed amounting to Rs.3168,73,66,821/-. Preparation of Money suit against M/s Essar Steel Ltd has been completed but could not be filed due to Court case pending in High Court of Cuttack. However, the amount of claim money suit for the above company has been included in the total recoverable amount.

44. It has been added that as it is the outcome of pending Transfer Petition and the Special Leave Petitions filed by various Zones of Indian Railways, which will determine the course of recovery against these companies, Railways are coordinating with Ld. Solicitor General for ensuring early listing and hearing of the case in Hon'ble Supreme Court of India.

45. When the Committee sought the comments of the Ministry of Railways on the recommendations made in the Audit Report, the Ministry have stated that the need for specific format of appreciation report was not felt as office of the Railway Board and that of Zonal Railways are in constant touch, sometimes on daily basis, to sort out issues that may arise out of difficulties in implementing policies. The inputs received from Zonal Railways are utilized to fine tune the policies and that is why the policy has undergone changes as and when deemed fit. Zonal Railways were asked to send monthly appreciation report to see whether the iron ore traffic is growing or not and

what is the share of domestic iron ore and export iron ore. Volume of traffic helps us in changing/formulating the policies. Meanwhile, all the goods offices were computerized and the Railways started to get data from Freight Operation Information System(FOIS).

46. It has further been stated that dual freight policy for iron ore was introduced in 2008 where iron ore for domestic consumption was charged at lower rate and iron ore for export purpose was charged at higher rate. Since then, a number of times, the policy was reviewed. Based on the experience gained over the years and in view of the falling price of iron in international market, it has been decided to withdraw the dual freight policy for iron ore w.e.f.10.05.2016. Now, all types of iron ore, whether it is for domestic use or for export, is being charged at Class 165. The various suggestions have been noted in general. However, as the Dual freight policy for Iron ore has been withdrawn, now their specific relevance in this case is not applicable.

PART II

Recommendations/Observations of the Committee

I. General

1. The Committee were apprised that earnings of Railways are accounted for, monthly on accrual basis. Some of these earnings are, however realized in subsequent months and the unrealised earnings are monitored through Railways Traffic Account Suspense comprising Station Outstanding, Cash - in - Transit, Accounts Office Balance Sheet, Miscellaneous and Demands Recoverable. It is a matter of consolation that the outstanding dues of Indian Railways have shown a declining trend in July, 2016 as compared to July, 2015. The outstanding dues which were Rs. 3404.03 crore in July, 2015 have slightly come down to Rs. 3082.47 crore in July, 2016 but marginally increased to Rs. 3117.19 crore in May, 2017. The Committee have been apprised that Zonal Railways have been informing the Ministry, every month, regarding the outstanding dues of traffic Suspense to Railway Board's office, for compilation and the Zonal Railways, whose position reflect deterioration, are then instructed by the Board regularly, to take all required steps to minimize the outstanding dues. The Committee were also apprised that the Financial Commissioner has written to Financial Advisor and Chief Accounts Officer (FA&CAOs) of Zonal Railways over the position of the outstanding dues, to the end of Oct. 2016 and also advising Zonal Railways whose position has deteriorated. While noting the steps taken by the Railways, for recovery of outstanding dues, the Committee feel

that it will be prudent for the Ministry to pay special attention to avoid accumulation of the outstanding dues and take all corrective measures proactively and urgently at an appropriate level promptly so that the total outstandings can be brought to the bare minimum progressively.

2. The Committee observe that the Railways had kept very meagre yearly targets of around Rs. 100 crore or less and at times only Rs. 50 crore for last 10 years, that is, since the year 2005-06 till the year 2015-16, for clearance of their outstanding dues. It is more disquieting to note that even these targets remained unachieved over all these years except in the years 2006-07 and 2015-16. For the year 2016-17, the outstandings have again risen to Rs. 1673.62 crore as compared to outstandings of Rs. 1666.89 crore in the year 2015-16. The shortfall in achievement of targets is attributed to reasons like un-anticipated events of disputes by parties, closure of siding, Court cases etc. The Committee do not consider these reasons adduced by the Ministry as unexpected, particularly when the matter is connected with the recovery of dues. The Committee expect that the Ministry would make utmost efforts to realise the targets fixed for the year 2017-18 and in subsequent years, for recovery of their outstanding dues more so considering the fact that it a matter of a huge sum of Rs. 3000 crore and odd. The Committee further urge the Ministry to keep the targets for recovery of outstanding dues more realistic vis-a-vis the total outstandings and fix them on slightly higher side. They should strive hard to achieve the yearly targets. The Committee urge the Ministry to direct the officers / staff about the utmost importance of reducing the

outstandings at stations to the minimum. The Station Master should, therefore, personally involve himself / herself in periodically scrutinizing the outstandings at his / her Station with a view to arranging for expeditious clearance.

3. The Committee are unhappy to note that out of the total station outstandings of Rs. 1764.09 crore at the end of May, 2017, around Rs. 783.71 crore i.e. 44.42% owe to various State Electricity Board (SEBs)/Power Houses(PHs). Further, out of Rs. 783.71 crore, the major outstanding dues of Rs. 446.96 crore are against Punjab State Electricity Board (PSEB), Rs. 45.33 crore against Rajasthan State Electricity Board (RSEB), Rs.114.28 crore against Delhi Vidyut Board (DVB), Rs. 46.37 crore against Maharashtra State Electricity Board (MSEB), Rs. 38.76 crore against West Bengal State Electricity Board and Rs. 60.54 crore against Uttar Pradesh State Electricity Board. Further, the outstanding dues against SEBs/PHs have slightly decreased to Rs. 783.71 crore in May, 2017 from Rs. 869.36 crore in May, 2016. In view of the foregoing, the Committee feel that there is an urgent need to initiate concrete steps by the Ministry of Railways against those SEBs/PHs having major share of outstanding dues for recovery of the same at the highest level so as to recover these outstanding dues. This will help in deploying the vital resources in some productive areas in Railways.

4. The Committee are apprised that as on October, 2009, outstanding dues against PSEB was Rs.475.73 crore which have slightly come down to Rs. 446.96 crore as on May, 2017. PSEB has disputed the outstanding dues against them, and the issue is pending since 2002. At present, the

case is pending before the Hon'ble High Court of Punjab & Haryana at Chandigarh and the next date of hearing has been fixed for 23.10.2017. In the light of the fact that more than 15 years have passed and the case is still pending, the Committee are inclined to believe that the Ministry has not paid serious attention to pursue the matter for recovery of the outstanding dues of Rs. 446.96 crore against PSEB. The Committee, therefore, impress upon the Ministry to intensify their efforts in this direction and expedite the matter. They would like to be kept informed of the status of the aforesaid case after its hearing in High Court of Punjab & Haryana on 23.10.2017.

5. The Committee note the measures taken by the Railways to end the accumulation of outstanding dues in respect of SEBs/PHs, by making prepayment of freight compulsory for booking of coal for all SEBs/PHs. Further, prepayment of freight is done through electronic-payment system and payment is collected electronically within a fraction of minutes from their bank account before issue of Railway Receipts, thus dismissing any possibility of outstanding on account of freight. Also, there is a provision of Letter of Credit(LC)/Bank Gaurantee(BG). Railway may claim and recover from the bank, funds equal to the amount of the LC/BG at any time towards freight charges recoverable. The Committee find it equally significant that in 15 States, where generation units of SEBs have transaction with Railways for movement of coal are covered under e-payment system and make the system transparent. The Committee feel that these steps are in right directions and hope

that Ministry would continue to take such progressive measures to check accumulation of outstanding dues by covering other States also.

6. The Committee were informed that the Committee constituted to examine the case with regard to outstanding dues of DVB, has submitted its report on 26.01.2016 to FA&CAO & Chief Commercial Manager(CCM), Northern Railway. CCM, Northern Railway has, however desired to establish the correctness of methodology adopted by the stated Committee in arriving of the figures of outstanding dues against DVB/Indraprastha Power Generation Corporation Limited(IPGCL). The Committee would like to be informed of the criteria adopted and correctness of methodology regarding the outstandings. The Committee are hopeful that the Ministry will soon recover the outstanding dues from DVB/IPGCL expedite the matter with the Ministry of Power for reconciliation of the stated Outstanding Dues of Rs. 114.84 crores to identify any possible impact of readjustment in methodology of calculations in wake of dissolution of DVB and would like to be kept apprised of the development in the matter.

II. Issue of Empanelled Lawyers with Railways

7. The Committee are not impressed to learn that Railways appoints the advocates on their panels, only after interaction held by Legal Adviser, Railways and recommendations of General Manager(GMs) of the concerned Zonal Railways. They have been informed that in respect of lower courts, the GMs of the concerned Zonal Railways are the competent authority for empanelment of advocates, falling within their

jurisdiction. Railways empanel the advocates for a period of 3 years and are being granted extension on the recommendation from Zonal Railways. According to the Ministry, a total of 414 Advocates are in the panel of Railway Advocates (for all High Courts and CATs), for more than 5 years. The Committee find it disturbing to note that the court cases with respect to outstanding dues such as PSEB is pending since 2002, and has not yet reached to a conclusive end. It reflects poorly on the presentation of the case(s) by the advocates in the panel of Railways. The Committee are of the considered opinion that the role of advocates is very important in proceedings / decision / final outcome in any court case and hence it is absolutely necessary that in future Ministry of Railways should appoint experienced advocates of repute on their panels so that their cases pending in various courts can be contested forcefully, presented properly and decided in certain time-frame. They equally emphasise on the need to relook on the procedure for appointment of the advocates on the Railway panels with grant of extension only in rarest of the rare cases.

III. Computer and Information Technology(CIT)

8. The Committee note with some satisfaction that Railways has started using CIT facilities for issuing of tickets in Ministry of Defence. Ministry of Defence has started maintaining Rolling Deposit System(RDS) account with IRCTC, for booking of e-tickets/i-tickets, by depositing a specified amount in advance to which the payment against booking of e-tickets/i-tickets is charged and this account is recouped periodically to

maintain the minimum amount in this account. Out of 10,000 defence units, 5000 units have been issued e-tokens, login Ids and passwords so far, for using the Defence Travel System (DTS) for booking of e-tickets/i-tickets through IRCTC. Defence Travel System for defence personnel has been developed through IRCTC, to replace bookings against warrants. As informed, about 30 percent of Army units are located in remote/locations/ships on board where there is no access to internet facility. In such case, the Committee would like the Ministry of Railways to concentrate on those defence units which are having internet facilities, for provision of e-ticketing until expansion of Internet facilities in areas not connected with Internet. In this regard, the Committee would like to emphasize on data collection and sharing about the total number of defence units having internet facilities but not yet issued e-tokens, login Ids and passwords for using the DTS so that these areas are also assimilated in the system as far as possible.

9. The Committee find that the Railways have also requested Ministry of Home Affairs to develop system of booking of e-tickets/i-tickets for para-military forces through IRCTC by opening an RDS account with IRCTC similar to the one developed for Defence units, for discontinuing booking against warrants. The Committee would like the Ministry of Railways to pursue the matter with the Ministry of Home Affairs, for opening of an RDS account with IRCTC and keep them informed of the progress in this regard. In fact, they would emphasize that all such Ministries / Departments/Government establishments who provide the

travel facility to their own employees on credit basis should be brought on this e-platform or Rolling Deposit Schemes in association with IRCTC so as to bring about prompt advance payment in line with DTS for Railways.

IV. Cash Office Disallowance

10. The Committee are concerned to find that during the last 10 years, Rs. 1,11,18,703 of base coins or forged currency notes were noticed by the Railways when cash received from station is shroffed in the cash office. Out of the same, Rs. 66,16,175 have been made good from staff and Rs. 45,02,528 are still to be recovered. The Committee note the steps taken by railways to check the receipt of forged currency notes in the railway booking counters viz., use of e-mode of payment of railway dues, installation of currency counting/fake currency detecting machines at booking counters etc. and also training of some staff by RBI/SBI/Nationalized Bank/Private Bank to detect Fake Indian Currency Notes (FICN). In this regard, Railways have asked Zonal Railways to procure and install Fake Currency Detecting Machines at Reservation Offices, Passenger Reservation System Terminals, and Goods Booking Offices etc. where cash is transacted in huge amount after making assessment of their need. In view of the huge amount of fake currency being received at railway stations booking counters, the Committee feel that fake currency detecting machine is the need of the day and therefore, such machines should be procured timely and installed at appropriate places. They would also like to be apprised of the number of

such machines procured viz-a-viz installed in each zone by the Railways during 2016-17 and proposed to be installed during 2017-18. Further, necessary training should extensively be provided to staff at Railway's receiving counters by the RBI/SBI/Nationalized Banks / Private Banks to identify fake Indian currency Notes.

V. Alleged irregularities in transportation of Iron Ore

11. The Committee gather that there were cases of alleged irregularities in transportation of Iron ore by various companies which were detected during 2008. When these cases came to the notice of the Ministry of Railways, those cases were immediately handed over to CBI for investigation. As per the CBI investigations, accused companies had availed concessional freight for the transportation of Iron Ore by submitting invalid documents and false declaration that the iron ore would be used for domestic consumption whereas the said iron ore was illegally diverted for export and local trading. On this account, Railways suffered losses to the tune of Rs. 6730.16 crore, out of which only Rs. 172.59 crore, that is 2.56%, has been recovered from delinquent firms and still the pending amount is remaining to the tune of Rs. 6557.57 crore. As Railways had remained a victim of freight evasion due to submission of invalid documents and false declarations by the companies resulting in incurring of losses for the Railways to the tune of Rs. 6700 crore and odd, the Committee would earnestly desire that at least now Railways should adequately strengthen their manpower in assessing documents, monitoring and verification mechanism for checking of the documents to make it foolproof in order to avoid losses owing to

submission of invalid or incomplete documents. Further, there is an urgent need to ensure strict compliance of laid down provisions and enforcement of initial scrutiny and check, at all the stages right from assessment of requirement of rakes, allotment of rakes, acceptance of tenders to loading and unloading. They also emphasize that while laying down Rate Circulars, Railway Board should frame detailed guidelines for Zonal Railways laying down clearly the procedure to be followed to ensure complete check of essential documentation establishing the nature of use of Iron Ore transported and other freight loadings and thereby earnings by Rail. The Committee also emphasize on the ensuring that the extant Rules and Orders on the clearances of freight loadings should be strictly observed and adhered to by all the Staff.

12. The Committee further note that as per the recommendations of CBI, the sanction for prosecution against one Gazetted official and 'Regular Department Action' - Major penalty against one Gazetted official and 5 non- Gazetted officials, are under process. Further, SP/CBI/Kolkata has been requested to provide the draft charge-sheet along with related documents for Regular Departmental Action' - Minor penalty and action 'Deem Fit' against 56 of the delinquent railway officials. Also, the post-retirement benefits of 2 officials of Eastern Railway have been withheld till finalization of the respective cases. The Committee urge the Ministry to pursue the matter vigorously so that suitable action is taken against the erring officials. The Committee may be kept abreast of the development.

13. The Committee learn that Railways have served Demand-cum-Show Cause Notices in all the 47 cases on the defaulting companies in respect of misleading declaration in Iron Ore traffic for different periods. However, most of these companies approached court of law seeking relief. According to the Ministry, the then Attorney General of India advised Railways to file Money Suits against the defaulting companies to guard against possible transgression of Limitation Act, 17, Money Suits amounting to Rs. 3168,73,66,821/- have been filed. Railways are now coordinating with learned Solicitor General for ensuring early listing and hearing of the case in Hon'ble Supreme Court of India. In view of the above, the Committee desire the Ministry of Railways to vigorously pursue the matter at the appropriate level so that the documentation on their own part is on preparedness for early listing and prompt recovery.

**New Delhi;
8 August, 2017
17 Shravana, 1939 (Saka)**

**SUDIP BANDYOPADHYAY
Chairperson,
Standing Committee on Railways**

**MINUTES OF THE STANDING COMMITTEE ON RAILWAYS (2015-16)
(Fifth Sitting)**

The Committee sat on Wednesday, the 16th December, 2015 from 1500 hours to 1600 hours in Committee Room No. '62', Parliament House, New Delhi.

PRESENT

SHRI DINESH TRIVEDI - CHAIRPERSON

MEMBERS

LOK SABHA

2. Kunwar Pushpendra Singh Chandel
3. Shri Ram Tahal Choudhary
4. Shri Chandra Prakash Joshi
5. Shri Sanjay Dhotre
6. Shri Gaurav Gogoi
7. Shri Ramesh Chander Kaushik
8. Shri Gajanan Kirtikar
9. Shri Balabhadra Majhi
10. Shri Arjun Ram Meghwal
11. Shri Thota Narasimham
12. Shri A.T. Nana Patil
13. Shri R. Radhakrishnan
14. Shri Lakhan Lal Sahu
15. Shri Ganesh Singh
16. Shri Uday Pratap Singh

RAJYA SABHA

17. Shri Mukut Mithi
18. Shri Dilipbhai Pandya
19. Shri Satish Chandra Misra
20. Smt. Bimla Kashyap Sood
21. Shri T. Rathinavel
22. Shri Bashistha Narain Singh
23. Shri Devender Goud T.
24. Shri Motilal Vora

SECRETARIAT

1. Smt. Abha Singh Yaduvanshi - Joint Secretary
2. Shri Arun K. Kaushik - Director
3. Smt. Geeta Parmar - Deputy Secretary

REPRESENTATIVES OF THE MINISTRY OF RAILWAYS (RAILWAY BOARD)

1.	Shri A.K. Mital	Chairman, Railway Board & Ex-officio Principal Secretary to the Government of India
2.	Shri S. Mookerjee	Financial Commissioner, Railways & Ex-officio Secretary to the Government of India
3.	Shri V. K. Gupta	Member-Engineering, Railway Board & Ex-officio Secretary to the Government of India
4.	Shri Pradeep Kumar	Member-Staff, Railway Board & Ex-officio Secretary to the Government of India
5.	Shri Mohd. Jamshed	Member-Traffic, Railway Board & Ex-officio Secretary to the Government of India
6.	Shri Navin Tandon	Member-Electrical, Railway Board & Ex-officio Secretary to the Government of India
7.	Shri Hemant Kumar	Member-Mechanical, Railway Board & Ex-officio Secretary to the Government of India

2. **xxx** **xxx** **xxx**

3. Thereafter, the Chairperson welcomed the representatives of the Ministry of Railways (Railway Board) to the sitting and invited their attention to the provisions contained in Direction 55 of the Directions by the Speaker, Lok Sabha regarding the proceedings to be treated as confidential.

4. The representatives of the Ministry of Railways (Railway Board) briefed the Committee on various aspects of the subject 'Outstanding Dues for Indian Railways' especially major outstanding dues that exist against State Electricity Boards/ Power Houses as well as the constraints being faced by them in its recovery. They also apprised the Committee of the steps being taken by them in retrieving such outstanding dues. The Committee, then, sought certain clarifications on the issues related to the subject and also gave various suggestions in this regard. The Chairperson desired the Railway Board to supply the information which was not readily available with them within a week.

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

The Committee, then adjourned.

xxx: Not related to the Report.

**MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON
RAILWAYS (2016-17)**

The Committee met on Tuesday, the 29th November, 2016 from 1500 hrs. to 1630 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Sudip Bandyopadhyay - Chairperson

MEMBERS

LOK SABHA

2. Shri E. Ahamed
3. Shri Ram Tahal Choudhary
4. Shri Gaurav Gogoi
5. Shri Sudheer Gupta
6. Shri Chandra Prakash Joshi
7. Shri Ramesh Chander Kaushik
8. Shri Gajanan Kirtikar
9. Shri K.H. Muniyappa
10. Shri A.T. Nana Patil
11. Shri Mekapati Raja Mohan Reddy
12. Shri Lakhan Lal Sahu
13. Shri Ganesh Singh
14. Shri Uday Pratap Singh
15. Shri Thota Narasimham

RAJYA SABHA

16. Shri Ranvijay Singh Judev
17. Shri Shwait Malik
18. Shri Mukut Mithi
19. Shri Motilal Vora

SECRETARIAT

1. Smt. Abha Singh Yaduvanshi - Joint Secretary
2. Shri Arun K. Kaushik - Director
3. Smt. Geeta Parmar - Deputy Secretary

REPRESENTATIVES OF THE MINISTRY OF RAILWAYS (RAILWAY BOARD)

1.	Shri A.K. Mital	Chairman, Railway Board & Ex-officio Principal Secretary to the Government of India
2.	Shri Shahzad Shah	Financial Commissioner, Railway Board & Ex-officio Secretary to the Government of India
3.	Shri Hemant Kumar	Member-Rolling Stock, Railway Board & Ex-officio Secretary to the Government of India
4.	Shri Aditya Kumar Mittal	Member-Engineering, Railway Board & Ex-officio Secretary to the Government of India
5.	Shri Pradeep Kumar	Member-Staff, Railway Board & Ex-officio Secretary to the Government of India
6.	Shri Mohd. Jamshed	Member-Traffic, Railway Board & Ex-officio Secretary to the Government of India
7.	Shri A.K. Kapoor	Member-Traction, Railway Board & Ex-officio Secretary to the Government of India

2. **xxx** **xxx** **xxx**

3. Thereafter, the Chairperson welcomed the representatives of the Ministry of Railways (Railway Board) to the sitting and invited their attention to the provisions contained in Direction 55 of the Directions by the Speaker, Lok Sabha regarding the proceedings to be treated as confidential.

4. **xxx** **xxx** **xxx**

5. Thereafter, the Committee took evidence of the the representatives of the Ministry of Railways (Railway Board) on various aspects of the subject 'Outstanding Dues for Indian Railways' especially major outstanding dues that exist against State Electricity Boards/ Power Houses as well as the constraints being faced by them in its recovery. They also apprised the Committee of the steps being taken by them in retrieving such outstanding dues. The Chairperson desired the Railway Board to supply the information which was not readily available with them within a week.

6. The Committee, then, sought certain clarifications on replies given by the representatives of the Ministry of Railways (Railway Board) and also gave various suggestions in this regard. The evidence was concluded.

7. A verbatim record of the sitting has been kept.

The Committee then adjourned.

xxx: Not related to the Report

**MINUTES OF THE THIRTEENTH SITTING OF THE STANDING COMMITTEE
ON RAILWAYS (2016-17)**

The Committee sat on Friday, the 4th August, 2017, from 1500 hours to 1620 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Sudip Bandyopadhyay - **Chairperson**

MEMBERS

LOK SABHA

2. Shri Ram Tahal Chaudhary
3. Shri Rajeev Satav
4. Shri Chandra Prakash Joshi
5. Shri Ramesh Chander Kaushik
6. Shri Gajanan Kirtikar
7. Shri Balabhadra Majhi
8. Shri Mekapati Raja Mohan Reddy
9. Shri Lakhan Lal Sahu
10. Shri Ganesh Singh
11. Shri Uday Pratap Singh
12. Shri Thota Narasimham

RAJYA SABHA

13. Shri Ranvijay Singh Judev
14. Shri Shwait Malik
15. Shri Mukut Mithi
16. Shri T. Rathinavel

SECRETARIAT

1. Smt. Abha Singh Yaduvanshi - Joint Secretary
2. Shri Arun Kumar Kaushik - Director
3. Shri Ram Lal Yadav - Deputy Secretary

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3. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. The Committee then took up for consideration the draft Report on the subject 'Outstanding Dues for Indian Railways'. After some deliberations, the Committee adopted the draft Report without any modifications. The Committee authorized the Chairperson to finalise the Report and present the same to the Parliament.

4. xxx xxx xxx

5. xxx xxx xxx

6. xxx xxx xxx

The Committee then adjourned.