

PART I

**STANDING COMMITTEE ON RAILWAYS**

**(1999-2000)**

**THIRTEENTH LOK SABHA**

**MINISTRY OF RAILWAYS**

**(RAILWAY BOARD)**

**DEMANDS FOR GRANTS**

**(2000-2001)**

**FIRST REPORT**

**Presented to Lok Sabha on 17.4.2000**

**Laid in Rajya Sabha on 17.4.2000**

**LOK SABHA SECRETARIAT**

**NEW DELHI**

April, 2000/Chaitra, 1922 (Saka)

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**INTRODUCTION**

I, the Chairman of Standing Committee on Railways(1999-2000) having been authorised by the Committee to present the Report on their behalf, present this First Report of the Standing Committee on Railways (1999-2000) on 'Demands for Grants (2000-2001)' of the Ministry of Railways.

2. The Committee took evidence of the representatives of the Ministry of Railways in connection with the examination of the Demands for Grants, 2000-2001 on 22.3.2000, 28.3.2000, 31.3.2000

and 4.4.2000.

3. The Committee discussed the various issues to be incorporated in the Report at their sitting held on 7.4.2000. They considered and adopted the Report at their sitting held on 11.4.2000. The minutes of the sittings held on 22.3.2000, 28.3.2000, 4.4.2000, 7.4.2000 and 11.4.2000 from Part-II of the Report.

4. The Committee wish to express their thanks to the officers of the Ministry of Railways (Railway Board) for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the Demands for Grants (2000-2001) and sharing with them views concerning the subject which came up for discussion during evidence.

New Delhi;

K.

YERRANNAIDU,

11 April, 2000

22 Chaitra, 1922, (Saka)  
Railways.

Chairman,  
Standing Committee on

## **PART I**

### **REPORT**

#### **Introductory**

Indian Railways is the biggest undertaking of the Government of India and is rightly termed as the lifeline of the nation providing support and sustenance to the development of the economy and providing economical land transport for the masses. Rail transport is the most suitable and economical mode for long haul of bulk movement of freight, long distance intercity passenger traffic, and mass rapid transit system for urban areas. Railways are more energy efficient and eco-friendly, and cost efficient than roads for achieving a given level of transport throughput.

2. The Indian Railways cover 62,809 route kilometers comprising broad gauge (44,216 Kms), meter gauge (15,178 Kms) and narrow gauge (3,415 Kms) and own a fleet of 2,53,186 wagons (4 wheelers); 35,630 coaches and 7,429 locomotives. With this fleet, Indian Railways manage to run 11,000 trains including 7,500 passenger trains and carries approximately 1.15 million tonnes of freight traffic and over 11 million passengers daily covering 6,896 stations.

3. The Indian Railway System is managed through Zones and operating Divisions. There are six production units engaged in manufacturing rolling stock to meet the Railways requirement. The system comprises nine Zonal Railways namely; Central, Eastern, Northern, North Eastern, Northeast Frontier, Southern, South Central, South Eastern and Western. With a view to providing more reliable and effective service to the nation and also for the smooth functioning of the railways, seven new Zones are being set up at Bhubaneswar, Allahabad, Hajipur, Jaipur, Bangalore, Jabalpur and Bilaspur. The infrastructure for each Zone is being created.

4. The Railways are looked upon sometimes as a commercial organisation and sometimes as a vehicle of social justice. The latter part requires not only to make investment which are

unremunerative or loss making but also to provide subsidised services, mostly in the passenger segment and to some extent by carrying essential commodities below cost. At the same time, it is also considered an instrument for development of backward areas.

5. Revenue receipts of the Railways consist of earnings from passenger traffic, other coaching earnings (which include parcels and luggage), earnings from goods traffic and sundry other earnings like rent, catering receipts, interest and maintenance charges from outside bodies, etc. There are also other miscellaneous receipts like receipts of Railway Recruitment Board from sale of application forms and examination fees, etc., and Government's share of surplus profits which includes receipts from subsidised Railway companies in which the Government has no capital interest. The subsidy from the General Revenues in respect of dividend reliefs forms part of miscellaneous receipts. Contribution from Central Road Fund for financing Safety Works is also accounted for in the miscellaneous receipts. The total of all these items makes up the total receipts of the Railways. The portion of the earnings which is due to the Railways during the financial year but has not actually been realised is held in a Suspense account.

6. Expenditure incurred by the Railways is on Revenue account and on Works account. The Revenue account consists of Ordinary Working Expenses incurred by the various Departments on the Railways in their day-to-day working, other miscellaneous expenditure like the expenditure on Railway Board, Audit, Surveys and other miscellaneous establishments and payments as regulated by contracts to worked lines which are not owned by the Railways and are either worked by the Indian Railways or Companies concerned. The Revenue Account also includes appropriation to Depreciation Reserve Fund, Pension Fund and Dividend paid by the Railways to the General Revenues.

7. Works expenditure is financed from Capital borrowed from the General Revenues and also by internal resources, viz. Capital Fund, Depreciation Reserve Fund, Development Fund and Revenue (The cost of unremunerative operating improvements and works other than passenger amenities costing below certain financial limits are charged to Revenue). The overall annual budgetary support of the General Finances of Government of India to the Railways consists of the Capital loans and the sums temporarily loaned to meet the deficiency, if any, in the Development Fund. A part of the investment in Railway assets, covered by the Railway Plans, is also made by the Indian Railway Finance Corporation which raises funds through market borrowings.

8. The Minister of Railways has presented the Railway Budget for the year 2000-01 on 25th February, 2000.

9. There are the following 16 Demands for Grants Demands 1 to 15 during with Revenue Expenses, Appropriations to the Funds and Dividend payment and Demand 16 dealing with Works Expenditure:

No. of Demands	Name of Demands
1.	Railway Board.
2.	Miscellaneous Expenditure (General)

3. General Superintendence and Services on Railways.
4. Repair and Maintenance of Permanent Way and Works.
5. Repairs and Maintenance of Motive Power.
6. Repairs and Maintenance of Carriages and Wagons.
7. Repairs and Maintenance of Plant and Equipment.
8. Operating Expenses Rolling Stock and Equipment.
9. Operating Expenses Traffic.
10. Operating Expenses Fuel.
11. Staff Welfare and Amenities.
12. Miscellaneous Working Expenses.
13. Provident Fund, Pension and Other Retirement Benefits.
14. Appropriation to Funds.
15. Payment of Dividend to General Revenues.
16. Assests Acquisition, Construction and Replacement.

10.

Demand-wise Budget Estimates in 2000-2001 are as under:

**Demand No. 01-Railways**

Railway Board

Voted: Rupees sixty crore eighty eight lakh

(In thousands of Rupees)

Actuals	Budget Budget	Details	Revised
1998- 99	Estimate Estimate 1999-2000		Estimate 1999-
2000		2000-2001	
6,56,89	6,00,00	Pay of Group A&B	
Establishment	6,23,29		13,58,41
11,11,18	11,39,37	Pay of Group	
C&DEstablishment	9,69,00		13,73,00
18,47,29	22,05,63	Others	
Charges		21,84,49	33,56,59
36,15,36	39,45,00		
Total	Voted	37,76,78	60,88,00

The above estimates do not include the recoveries mentioned below, which are taken outside the gross budget and adjusted in the accounts in reduction of expenditure.

0	0	Credit or		
Recoveries			0	0
36,15,36	39,45,00	Net		37,76,78
	60,88,00			

11. The expenditure which was hitherto being booked under Demand No.2 is now being provided in this Demand in order to reflect the expenditure of Railway Board in Demand No. 1 itself. A higher provision of Rs. 23.11cr. in the Budget Estimates 2000-2001 over Revised Estimates 1999-2000 is being made mainly to cover this and also to meet increased expenditure in D.A., Allowances, Contingent Expense and Other Expenses.

### Demand No. 02 railways

12. Miscellaneous expenditure (general)

Voted: Rupees one hundred and eighty two crore thirty two lakh

(In thousands of rupees)

Demand	Actuals	Budget	Minor Heads of
1998-		Revised	Budget
99 Estimate			Estimate
Estimate			1999-
	1999-2000		2000-
2000	2000-2001		

8,26,63	8,25,86		Voted	6,21,89
7,32,38				

(a) Surveys Charged

49,47,64	50,72,19	(b) Research, Design &	
Standards	Voted	52,47,33	56,37,00
		Organisation	Charged

69,91,38	78,12,72	(c) Expenditure on	
Miscellaneous	Voted	77,38,49	59,28,42
		Establishment	Charged

36,44,99	39,54,00	(d) Reimbursement of Cost	
of	Vote	40,38,80	42,46,62

Statutory Railway

Audit	Charged					
23,81	22,62			(e) Payments to Worked		
Lines,	Voted	25,96		25,94		
				Subsidised Companies		Charged
14,11,74	19,67,61			(f) Miscellaneous		
Charges	Voted	18,59,67		16,61,64		
						Charged
178,46,						
19	196,55,00		Total		Voted	195,32,14
182,32,00						
						Charged

The above estimates do not include the recoveries mentioned below, which are taken outside the gross budget and adjusted in the accounts in reduction of expenditure.

1,36,87	1,20,00	Credit or		
Recoveries		1,30,00	1,20,00	
177,09,32	195,35,00	Net		194,02,14
	181,12,00			

13. The Budget Estimates (Gross) under this Demand have shown a decrease of Rs. 13 cr. over the Revised Estimates 1999-2000. The decrease is mainly due to less provision under Other Miscellaneous Establishments owing to transfer of Railway Boards expenditure from this Demand to Demand No.1, less provision for Railway Recruitment Boards and less requirement under Miscellaneous Charges.

**Demand no. 03 Railways**

14. general superintendence and services on railways

Voted: Rupees one thousand four hundred and fifty three crore twenty eight lakh ninety four thousand

Charged: Rupees two lakh six thousand

(In thousands of rupees)

Actuals	Budget		Minor Heads of
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Demand	Revised	Budget	
1998-			
99 Estimate			Estimate
Estimate			
1999-2000			1999-
2000	2000-2001		
84,30,91	97,12,60	General	
Management	Voted	92,57,17	97,17,82
23		Including	
General	Charged		
		Management Services	
342,70,65	376,00,65	Financial	
Management	Voted	378,62,73	391,87,58
19			Charged
	1,06		1,06
215,08,97	239,41,01	Personnel	
Management	Voted	232,95,70	243,81,29
50	1,00		Charged
	50		1,00
222,65,00	244,28,72	Materials	
Management	Voted	241,47,05	248,35,21
44			Charged
115,18,24	129,43,70	Way and	
Works	Voted	123,33,33	127,00,45
7,83		Management	Charged
73,29,90	82,29,74	Rolling	
Stock	Voted	80,53,97	83,10,11
		Management	Charged
49,68,84	57,09,11	Electrical	
Management	Voted	56,68,15	58,37,39
			Charged
36,21,85	41,27,91	Signal	
and	Voted	41,08,34	42,61,59
7		Telecommunication	Charged
		Management	



212,75,57	245,70,46		Establishment		
in	Voted	235,17,18	244,46,62		
1,38	20		Offices	Charged	41
	30				
1673,82,21	1924,32,03		Maintenance of		
Permanent	Voted	1822,43,36	1928,39,76		
26,03	3,70		Way	Charged	8,27
	60				
79,37,12	97,88,77		Maintenance of		
Bridge	Voted	89,22,44	95,52,79		
			Work and		
Tunnels	Charged				
			including Road		
			Over/Under Bridges		
256,67,34	306,68,17		Maintenance of Service	Voted	
279,24,31	305,50,51				
4,60	2,00		Buildings (Other		
than	Charged	4,78	4,90		
			Staff Quarters and		
			Welfare Buildings)		
137,11,15	160,72,66		Water Supply, Sanitation	Voted	
158,12,86	166,77,36				
50			and Roads (other		
than	Charged				
			Colonies, Staff Quarters		
			and Welfare Buildings)		
31,31,19	38,79,60		Other Repairs and	Voted	
36,48,82	39,15,36				
			Maintenance	Charged	
79,58,17	111,67,40		Special Repairs	Voted	
116,62,65	123,67,45				
			pertaining to		
Breaches,	Charged	4.39			
			Accidents etc. including		
			Special Revenue Works		
2470,62,75	2885,79,09		Total	Voted	
2737,31,62	2903,49,85				
32,51	5,90			Charged	17,
85	5,80				

The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.

17,42,90	19,30,99	Credits or	
recoveries.		19,01,47	19,50,65
2453,52,36	2866,54,00	NET	2718,48,0
0	2884,05,00		

17. The Budget Estimates of Rs. 2903.56 crore under this Demand reflects an increase of Rs. 166.06 crore over the Revised Estimates comprising an increase of Rs. 166.18 crore under Voted portion to provide for payment of Salaries (Rs. 1908.15 lakh), Dearness Allowance (Rs. 6128.85 lakh), Cost of Materials (Rs. 649.30 lakh), Contractual Payments (Rs. 7736.25 lakh) and Other Miscellaneous Factors (Rs. 195.68 lakh); partly offset by a decrease of Rs. 12.05 lakh under Charged appropriation due to less payments anticipated in satisfaction of court decrees.

Demand no. 05 Railways

18. Repairs and maintenance of motive power

Voted: Rupees one thousand six hundred and forty six crore thirteen lakh sixty five thousand

Charged: Rupees seventy five thousand

(In thousands of rupees)

Actuals	Budget	Minor Heads of	Budget
Demand		Revised	
1998-			
99	Estimate		Estimate
	Estimate		
	1999-2000		1999-
2000		2000-2001	

135,29,83	160,31,12	Establishment in	
Offices	Voted	151,67,90	157,57,42
			Charged
9,83,42	13,21,01	Steam	
Locomotives	Voted		Charged

832,00,11	897,77,73	Diesel		
Locomotives		Voted	886,44,09	951,79,44
	1,00			Charged
	75			50
452,28,17	518,10,01	Electric		
Locomotives		Voted	515,76,95	545,18,46
				Charged
--7,66,22	9,20,36	Rail Cars, Ferry		
Steamers	Voted	12,03,51	8,41,67	
		and other		
maintenance	Charged			
		Expenses		
1421,75,31	1580,19,51	Total	Voted	1541,85,43
	1646,13,65			
	1,00		Charged	50
	75			

The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.

31,13,88	31,61,51	Credits or		
recoveries			32,98,93	34,04,40
1390,61,43	1548,59,00	NET		1508,87,00
	1612,10,00			

19. The Budget Estimates of Rs. 1646.14 crore under this Demand reflects an increase of Rs. 104.28 crore over the Revised Estimates. This comprises an increase of Rs. 104.28 crore under Voted portion to provide for payment of Salaries (Rs. 495.64 lakh), Dearness Allowance (Rs. 1734.47 lakh), Wages on POH (Rs. 911.45 lakh), Increased Maintenance Activity (Rs. 4846.37 lakh), Contractual Payments (Rs. 393.85 lakh), Transfer of Debit/Credit (Rs. 2046.69 lakh); and Rs. 0.25 lakh under Charged appropriation due to more payments anticipated in satisfaction of court decrees.

Demand no. 06 Railways

20. Repairs and maintenance of carriages and wagons  
Voted: Rupees three thousand one hundred and forty three crore fifty two lakhs thirteen thousand  
Charged: Rupees one lakh

(In thousands of rupees)

Actuals Demand 1998- 99	Budget Estimate Estimate 1999-2000 2000-2001	Minor Heads of Revised	Budget	Estimate 1999-
181,08,26 in 19	201,13,65 Voted	Establishment 201,78,25 Offices	211,73,65 Charged	
967,59,84	1057,89,64 1189,27,07	Carriages	Voted Charged	1082,66,12
879,72,36 57	942,93,41 1002,99,31	Wagons	Voted Charged	931,23,75
243,43,95 Unit 29	280,26,94 Voted	Electrical Multiple 270,09,03 Coaches	295,64,86 Charged	
391,77,64 General Train	453,46,87 1,25	Electrical Voted Services- Charged	436,24,12 1,25	461,05,44 1,00
16,40,09 Repairs Maintenance	26,91,70 Voted	Miscellaneous 21,59,06 and Charged Expenses	25,07,08	
3,90,74 Unit	2,14,27 Voted	Diesel Multiple 7,00,92 Coaches	7,88,88 Charged	
2651,12,70	2910,93,08	Total	Voted	2907,43,13

	3143,52,13			
1,05	1,25		Charged	1,25
		1,00		

The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.

76,07,03	81,60,33	Credits of		
recoveries			79,86,38	80,00,13
2575,06,72	2829,34,00	NET		2827,58,0
0	3063,53,00			

21. The Budget Estimates of Rs. 3143.53 crore under this Demand reflects an increase of Rs. 236.09 crore over the Revised Estimates. This comprises an increase of Rs. 236.09 crore under voted portion to provide for payment of Salaries (Rs. 883.35 lakh), Dearness Allowance (Rs. 3197.03 lakh), Wages on POH (Rs. 5243.93 lakh), Increased Maintenance Activity (Rs. 12061.35 lakh), Transfer of Debit/Credit (Rs. 2771.81 lakh), partly offset by less payment under Other Miscellaneous Factors (Rs. 548.47 lakh) and Charged appropriation Rs. 0.25 lakh under due to less payments anticipated in satisfaction of court decrees.

Demand no. 07 Railways

22. Repairs and maintenance of plant and equipment

Voted: Rupees one thousand five hundred and seventy three crore six lakhs eighty three thousand  
(In thousands of rupees)

Actuals	Budget	Minor Heads of	Budget
Demand		Revised	
1998-			
99	Estimate		Estimate
	Estimate		
	1999-2000		1999-
2000	2000-2001		

161,11,84	177,31,15	Establishment	
in	Voted	179,49,22	182,67,42
		Offices	Charged
77,97,86	91,68,89	Plant and Equipment-	
	Voted	89,14,61	92,10,37
		Way and	

Works		Charged		
134,50,56	159,32,87		Plant and	
Equipment	Voted	167,57,46		182,08,53
		Mechanical		Charged
413,92,39	475,64,88		Plant and	
Equipment	Voted	460,37,54		486,37,91
		Electrical		Charged
335,89,03	360,99,46		Plant and Equipment-	
	Voted	355,20,68		370,85,08
55		Signalling		Charged
165,78,66	181,53,11		Plant and Equipment-	
	Voted	194,43,78		197,17,87
		Telecommunication		Charged
17,01,55	19,68,61		Rental to P & T	
for	Voted	22,78,66		21,55,43
and		Signalling		
		Charged		
			Telecommunication	
			Circuits	
30,87,69	40,79,97		Other Plant	
and	Voted	38,31,27		40,24,22
		Equipment-General		
and	Charged			
			Traffic Departments	
1337,09,58	1506,98,94		Total	Voted
	1573,06,83			1507,33,22
55				Charged

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The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.

9,38,30	8,89,94		Credits of	
recoveries.			9,24,22	10,35,83
1327,71,83	1498,09,00		NET	149
8,09,000	1562,71,00			

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23. The Budget Estimates of Rs. 1573.07 crore under this Demand reflects an increase of Rs. 65.74 crore over the Revised Estimates entirely under Voted portion to provide for payment of Salaries (Rs. 904.29 lakh), Dearness Allowance (Rs. 2636.62 lakh), Wages on POH (Rs. 861.42 lakh), Increased Maintenance Activity (Rs. 1998.57 lakh), Contractual Payments (Rs. 478.70 lakh); partly offset by decrease in Other Miscellaneous Factors (Rs. 305.99 lakh).

Demand no. 08 Railways

24. Operating expenses-rolling stock and equipment

Voted: Rupees two thousand six hundred and sixty nine crore seventy nine lakh forty seven thousand

Charged: Rupees seven lakh

(In Thousands of rupees)

Actuals	Budget	Revised	Minor Heads of	Estimate
Demand	Estimate		Budget	Estimate
1998-99	1999-2000			1999-2000
1999-2000	2000-2001			2000-2001
10,42,80	14,44,42		Steam	
Locomotives	Voted			
				Charged
912,89,96	945,67,56		Diesel	
Locomotives	Voted	900,76,86	941,17,67	
	7,00			Charged
7,00	7,00			
435,24,92	394,57,61		Electric	
Locomotives	Voted	419,22,65	428,10,95	
				Charged
59,78,94	53,48,46		Electric Multiple	
Unit	Voted	55,83,07	57,96,17	
			Coaches	Charged
384,84,86	463,37,52		Carriages and	
Wagons	Voted	434,16,82	458,61,15	
				Charged

608,63,60	664,34,70		Traction (other	
than	Voted	715,76,71	757,15,16	
13			Rollig Stock)	
and	Charged			
			General Electrical	
			Services	
22,39,90	28,08,72		Signalling	
and	Voted	25,09,99	26,44,00	
			Telecommunication	Charged
36,22	32,08		Ferry Services and	
Rail	Voted	30,27	34,37	
			Cars	Charged
2434,61,20	2564,31,07		Total	Voted
2551,16,37	2669,79,47			
13	7,00			Charged
	7,00			

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The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.

63,43,80	54,92,07	Credits or
recoveries		54,71,37 55,08,47
2371,17,53	2509,46,00	NET
2496,52,00	2614,71,00	

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25. The Budget Estimates of Rs. 2669.87 crore under this Demand reflects an increase of Rs. 118.63 crore over the Revised Estimates entirely under Voted portion to provide for payment of Salaries (Rs. 1129.03 lakh), Dearness Allowance (Rs. 2325.20 lakh), Cost of Materials (Rs. 3196.93 lakh), Fuel for Other than Traction (Rs. 718.64 lakh), Contractual Payments (Rs. 1078.04 lakh), Transfer of Debit/Credit (Rs. 2456.81 lakh) and Other Miscellaneous Factors (Rs. 958.45 lakh).

Demand no. 09 - Railways

26. Operating expenses -traffic

Voted: Rupees six thousand and eighty crore thirteen lakhs forty five thousand

Charged: Rupees three lakh

(In thousands of rupees)

Actuals	Budget	Minor Heads of	Budget	
Demand		Revised		
1998-				
99	Estimate			Estimate
Estimate				
	1999-2000			1999-
2000	2000-2001			
17,90,81	22,50,45	Establishment		
in	Voted	20,06,11	20,95,32	
		Offices	Charged	
1817,13,40	1972,65,50	Station		
Operations	Voted	1980,01,95	2039,73,90	
42,56	3,00		Charged	3,00
	3,00			
143,55,39	172,57,21	Yard		
Operations	Voted	161,03,71	165,96,99	
5			Charged	
5,64,97	6,32,91	Transshipment		
and	Voted	5,88,99	6,19,30	
		Repacking Operations		
Charged				
703,54,09	682,45,10	Trains		
Operations	Voted	687,80,53	696,46,24	
			Charged	
4,52,95	4,62,99	Safety	Voted	5,53,39
	6,48,60			
			Charged	
2316,54,48	2689,87,22	Other Miscellaneous		
Voted	2688,22,01	Expenses	3144,33,10	
			Charged	
5008,86,09	5551,01,38	Total	Voted	5548,56,69
	6080,13,45			
42,61	3,00		Charged	3,00

The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.

17,69,34	19,96,38	Credits or		
recoveries		17,51,69	17,57,45	
4991,59,36	5531,08,00	NET		5531,08,00
	6062,59,00			

27. The Budget Estimates of Rs. 6080.16 crore under this Demand reflects an increase of Rs. 531.57 crore over the Revised Estimates entirely under Voted portion to provide for Salaries (Rs. 2168.20 lakh), Dearness Allowance (Rs. 6276.64 lakh), Cost of Materials (Rs. 485.93 lakh), Lease/Hire charges to Indian Railway Finance Corporation (Rs. 38000.00 lakh), Lease charges under OYW and BOLT schemes (Rs. 2303.00 lakh), Other Miscellaneous Factors (Rs. 3922.99 lakh).

Demand no. 10 - Railways

28. Operating expenses - fuel

Voted: Rupees six thousand four hundred and thirty crore twenty three thousand

Charged: Rupees two lakh

(In thousands of rupees)

Actuals Demand 1998- 99 Estimate	Budget Revised Estimate 1999-2000 2000-2001	Minor Heads of Budget	Estimate 1999-
5,62,37	7,69,47	Steam Traction	Voted
1,49			Charged
2011,49,39	1938,96,01	Diesel	83
Traction	Voted	2394,08,16	2879,48,19
	2,00		Charged
	2,00		2,00
2865,55,13	3201,46,63	Electric	
Traction	Voted	3205,88,63	3550,52,04
			Charged

4882,66,89	5148,12,11	Total	Voted	5599,96,79
6430,00,13				
1,49	2,00		Charged	2,8
3	2,00			

The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.

28,43,20	31,60,11	Credits or	
recoveries		32,12,62	32,16,23
4854,25,18	5116,54,00	NET	5567,87,
00	6397,86,00		

29. The Budget Estimates of Rs. 6430.02 crore under this Demand reflects an increase of Rs. 830.03 crore over the Revised Estimates comprising an increase of Rs. 830.03 crore under Voted portion to provide for higher Staff Costs (Rs. 75.18 lakh) and more expenditure on fuel due to increase in traffic prices under Diesel Traction (Rs. 48464.85 lakh) and Electric Traction (Rs. 34463.41 lakh); partly off-set by a reduction of Rs. 0.83 lakh under Charged appropriation due to less payments anticipated in satisfaction of court decrees.

Demand no. 11 - Railways

30. Staff welfare and amenities

Voted: Rupees one thousand one hundred and seventy one crore twenty two lakh ninety nine thousand

Charged: Rupees two lakh eighty five thousand

(In thousands of rupees)

Actuals	Budget	Minor Heads of	Budget
Demand		Revised	
1998-			
99	Estimate		Estimate
	Estimate		
	1999-2000		1999-
2000	2000-2001		

69,45,69,	80,77,62	Educational	
Facilities	Voted	80,64,14	84,03,32
1,84			Charged

350,84,69	387,52,80		Medical		
Services		Voted		389,61,64	416,09,21
3,15	2,70				Charged
	2,65				2,35
148,75,38	163,92,97		Health and		
Welfare		Voted		162,97,76	170,31,43
1,06	50		Services		Charged
	20				
14,72,82	16,41,32		Canteen and other		
Staff		Voted		17,06,09	17,73,04
5,39			Amenities		Charged
394,58,96	482,37,69		Residential and		
Welfare		Voted		449,81,20	482,78,44
2,50			Buildings - Repairs		
and	Charged				
16,10	20,99		Maintenance		
Expenses		Voted	Miscellaneous		
				27,18	27,55
					Charged
978,53,64	1131,23,39		Total		Voted
	1171,22,99				
13,94	3,20				Charged
	2,85				2,35

The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.

1,41,82	1,31,59		Credits or		
recoveries				1,43,36	1,42,84
977,25,76	1129,95,00		NET		1098,97,00
	1169,83,00				

31. The Budget Estimates of Rs. 1171.26 crore under this Demand reflects an increase of Rs. 70.85 crore over the Revised Estimates comprising an increase of Rs. 70.86 crore under Voted portion to provide for payment of Salaries (Rs. 621.27 lakh), Dearness Allowance (Rs. 2201.22 lakh), Cost of Materials (Rs. 2254.58 lakh), Contractual payments (Rs. 1644.08 lakh), and Other Miscellaneous Factors (Rs. 363.83 lakh) and increase of Rs. 0.50 lakhs under Charged appropriation due to more payments anticipated in satisfaction of court decrees.

## Demand no. 12 - Railways

32.

## Miscellaneous Working Expenses

Votes : Rupees one thousand four hundred and thirty seven crore fortyeight lakh fifty two thousand

*Charged: Rupees eighteen crores ninety nine lakh eighty three thousand*

(In thousands of rupees)

Actuals Demand 1998- 99	Budget Estimate Estimate 1999-2000	Minor Heads of Revised Budget	Budget Estimate 1999- 2000
602,82,34	751,08,15	Security	Voted 656,70,93
777,65,13			
5,90	5,50		Charged 8,60
	8,60		
208,05,92	205,37,80	Compensation	
Claims	Voted	216,01,92	213,90,50
5,92,94	11,10,49		Charged 8,86,13
	9,89,83		
8,82,52	10,78,12	Workmens and	
Other	Voted	9,08,94	10,19,60
67,86	50,00	Compensation	
Claims	Charged	52,13	50,00
202,80,46	224,74,46	Catering	Voted 209,25,01
	221,55,29		Charged
66.65,40	80,46,98	Cost of Training	
of	Voted	85,91,86	82,06,42
	50	Staff	Charged
110,80,11	131,46,80	Other	
Expenses	Voted	102,60,19	103,71,14
4			Charged

38,45	32,30	Hospitality		
and	Voted	32,15	4806	
		Entertainment		
Expenses	Charged			
1200,35,20	1404,24,61	Total	Voted	1279,91,00
	1409,56,14			
6,66,74	11,66,49		Charged	9,46,86
	10,48,43			
61,63,00	22,91,33	Total		
Suspense		Voted	1981,47	27,92,38
4,09,40	5,46,40		Charged	13,51,40
	8,51,40			
1261,98,20	1427,15,94	Total	Voted	1299,72,47
	1437,48,52			
10,76,14	17,12,89		Charged	22,98,26
	18,99,83			

The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.

244,49,92	169,82,83	Total Credits or		
Recoveries		191,10,73	170,95,35	
1028,24,42	1274,46,00	NET		1131,60,00
	1285,53,00			

33. The Budget Estimates of Rs. 1456.48 crore under this Demand reflects an increase of Rs. 133.77 crore over the Revised Estimates comprising an increase of Rs. 137.76 crore under Voted portion to provide for payment of Salaries (Rs. 521.49 lakh), Dearness Allowance (Rs. 1737.93 lakh), Cost of Materials (Rs. 339.76 lakh), Contractual Payments (Rs. 535.05 lakh), Transfer of Debit/Credit (Rs. 558.38 lakh), Payment to Order Police (Rs. 6375.38 lakh), Other Miscellaneous Factors (Rs. 3708.06 lakh); partly offset by a reduction of Rs. 398.43 lakh under Charged appropriation due to less payment anticipated in satisfaction of court decrees.

Demand no. 13 - Railways

34. Provident fund, pension & other retirement benefits  
Voted: Rupees five thousand three hundred and thirty two crore thirty three lakh forty one thousand.

Charged: Rupees eighty three lakh forty two thousand

(In thousands of rupees)

Actuals Demand 1998- 99	Budget Estimate Estimate 1999-2000 2000-2001	Minor Heads of Revised	Budget	Estimate 1999-
1	2 5	3		4
2204,23,22 and 4	2202,54,84 Voted 4	Superannuation 2617,91,32	2899,35,52	
Pension 597,85,09	Charged 148,72,86	Retiring 4		4
Pension 39	Voted	Commuted 224,59,54	791,00,91	Charged
40,62 Pension	72,04 Voted	Ex-Gratia 66,86	67,33	Charged
697,68,59 Pension	611,62,87 Voted	Family 830,83,91	812,81,60	Charged
33,27 41,80	35,95 41,80			
519,60,15 Retirement	225,92,95 Voted	Death-Cum- 290,13,49	676,32,39	Charged
88		Gratuity		
126,53,78 Other	112,04,55 Voted	Other Allowances, 130,99,85	135,93,86	
1,41,88 Other	41,20 Charged	Pension and 68,60	41,58	
		Expenses		
4146,31,45 95,14,97	3301,60,11 5316,11,61	Total	Voted	40
1,76,46	77,19		Charged	

1,10,44	83,42		
11,73,82	12,31,36	Gratuities and	
Special	Voted	15,04,55	16,17,55
		Contribution	
to	Charged		
		Provident Fund	
4,57	5,44	Contributions	
to	Voted	4,25	4,25
		Provident	
Fund	Charged		
11,78,39	12,36,80	Total	Voted
15,08,80	16,21,80		Charged
4158,09,84	3313,96,91	Total	Voted
4110,23,77	5332,33,41		Charged
1,76,46	77,19		Charged
1,10,44	83,42		

The above estimates do not include the recoveries mentioned below which are adjusted in accounts in reduction of expenditure.

4,07,17	2,37,30	Credits or Recoveries Pension
Fund	2,25,41	2,99,03
2,96	5,80	Total-Credits Provident Fund and
Others	5,80	5,80
4,10,13	2,43,10	Total Credits or
Recoveries		2,31,21 3,04,83
4144,03,43	3300,00,00	Deduct Amount Met From Pension
Fund	4094,00,00	5313,96,00
11,72,74	12,31,00	NET
15,03,00	16,16,00	

35. The Budget Estimates of Rs. 5333.17 Crore is higher than the Revised Estimates by Rs. 1221.83 crore comprising of an increase of Rs. 1222.10 crore under Voted portion and a reduction of Rs. 27.02 lakh under Charged appropriation. The Increase under Voted portion is anticipated due to resumption of retirements from the year 2000-2001. The reduction under Charged appropriation is due to less payments arising out of court decrees.

Demand no. 14 - Railways

36. Appropriation to funds

Voted: Rupees eight thousand six hundred twenty three crore twenty sevenlakh and twenty two thousands

(In thousands of rupees)

Actuals Demand 1998- 99 Estimate	Budget Revised Estimate 1999-2000 2000-2001	Minor Heads of Budget Estimate 1999- 2000
1155,00,00	1589,00,00	Appropriation to Railway
Depreciation	1550,00,00	2441,00,00
		Reserve Fund
3435,00,00	2964,00,00	Appropriation to Railway Pension
Fund	3579,06,00	5005,96,00
395,86,58	600,00,00	Appropriation to Railway Development
Fund	519,00,00	831,00,00
3,21,58	943,65,00	Appropriation to Capital Fund-
Railways	380,00,00	345,31,22
4989,08,61	6096,65,00	Total
8623,27,22		6028,06,00

Demand no. 15 - Railways

37. Dividend to general revenues, repayment of loans taken from general revenues and amortization of over capitalization

Voted: Rupees six hundred and fifteen crore thirty eight lakh

(In thousands of rupees)

Actuals Demand 1998- 99 Estimate	Budget Estimate	Minor Heads of Revised Budget	Estimate

2000	1999-		1999-
2000	2000-2001		
1742,08,08	1914,08,00	Dividend to General	
Revenues		1904,74,00	615,38,00
		Repayment of Deferred Dividend liability	
in		respect of the period 1978-79 onwards	
		Repayment of loans for Development Fund	
taken		from General Revenues and interest thereon	
		Repayment of loans for Revenue Reserve	
Fund		taken from General Revenue and interest thereon	
		Repayment of Deferred Dividend liability	
in		respect of the period prior to 1978-79	
		Payment towards Amortization	
of		Over-capitalization	
1742,08,08	1914,08,00	Total	1904,7
4,00	615,38,00		
		Credits or	
Recoveries			
1742,08,08	1914,08,00	Net	190
4,74,00	615,38,00		

38. The Railway Budget (2000-2001) in brief is as under:

(Rs. in crore)

Actuals	Budget	Description	Revised
	Budget		
1998-99	1999-2000		1999-
2000	2000-2001		
29619.46	33311.00	(a) Gross Traffic	
Receipts		33096.00	36529.00

23254.60	25740.00	(b) Ordinary Working		
Expenses		25790.00		28115.00
1155.00	1589.00	(c) Appropriation to Depreciation		
Reserve	1550.00		2441.00	
Fund				
3425.00	2954.00	(d) Appropriation to Pension		
Fund		3569.06		4995.96
27834.60	3028.00	(e) Total Working expenses (b) + (c) +		
(d)	30909.06		35551.96	
1784.86	3028.00	(f) Net Traffic Receipts (a) -		
(c)		2186.94		977.04
356.30	429.73	(g) Net Miscellaneous		
Receipts		616.80		814.65
2141.16	3457.73	(h) Net Revenue (f) +		
(g)		2803.74		1791.69
1742.08	1914.08	(i) Dividend Payment due to General		
Revenues	1904.74		2115.38	
(j) Less Dividend				
deferred*				1500.00
1742.08	1914.08	(k) Net Dividend payable to General		
Revenues	1904.74		615.38	
399.08	1543.65	(l) Excess/Shortfall (h) -		
(k)		899.00		1176.31
395.87	600.00	(m) Appropriation to Railway		
Development		519.00		831.00
Fund				
3.21	943.65	(n) Appropriation to Capital Fund -		
Railways		380.00		345.31
93.3%	91.6%	(o) Operating		
Ratio			93.7%	98.8%
5.8%	8.6%	(p) Ratio of Net Revenue to Capital-at-		
Charge		7.1%	4.2%	
and investment from Capital Fund				

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\*Transferred to Deferred Dividend Liability Account.

Traffic Receipts

39. The details of the Actuals 1998-99, Budget & Revised Estimates 1999-2000 and Budget Estimates 2000-2001 of Gross Traffic Receipts are given below:

**(Rs. in crore)**

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Details	Budget	Actuals	Budget	Revised
		1998-99	1999-2000	1999-
2000		2000-2001		
<hr/>				
Passenger -Upper				
Class	1456.69	1602.61	1676.69	
	1797.32			
Passenger - Second				
Class	7093.27	7846.39	7807.31	
	8350.68			
Total Passenger				
Earnings	8549.96	9449.00	9484.00	
	10148.00			
Other Coaching				
Earnings	649.00	691.00	811.00	
	856.00			
Goods				
Earnings	19960.39	22341.00	22091.00	
	23608.00			
Sundry Other				
Earnings	665.51	630.00	635.00	
	1417.00			
Total				
Earnings	29824.86	33111.00	33021.00	
	36029.00			
Suspense	205.40	200.00	75.00	
	500.00			
Gross Traffic				
Receipts	29619.46	33311.00	33096.00	
	36529.00			

#### Passenger Earnings

40. The Budget Estimates of Passenger Earnings for 1999-2000 of Rs. 9449.00 crore in increased by Rs. 35.00 crore and the Revised Estimates placed at Rs. 9484.00 crore. Passenger Earnings for 2000-2001 have been estimated at Rs. 10148.00 crore based upon an anticipated growth of suburban and non-suburban passenger traffic.

#### Other Coaching Earnings

41. Taking into account the trend of actual earnings during the course of the year 1999-2000, the Revised Estimates of earnings from Other Coaching Traffic is fixed at Rs. 811.00 crore *i.e.*

Rs.120.00 crore more than the Budget Estimates for the year. Other Coaching Earnings for 2000-2001 are estimated at Rs. 856.00 crore *i.e.*Rs.45.00 crore above the Revised Estimates of 1999-2000 based upon anticipated growth in Parcel Traffic and proposed increase in parcel rates.

### Goods Earnings

42. The target of originating loading has been retained at 450 million tonnes envisaged in the Budget Estimates, 1999-2000. But in view of change in commodity mix, the goods earnings in the Revised Estimates for 1999-2000 is fixed at Rs. 22091.00 crore which is Rs. 250.00 crore less than the Budget Estimates of Rs. 22341.00 crore. The goods earnings for 2000-2001 have been placed at Rs. 23608.00 crore, an increase of Rs. 1517.00 crore, assuming an increase of 25 million tonnes originating revenue earnings freight traffic over the anticipated level of 450 million tonnes adopted for the Revised Estimates for 1999-2000 and proposed increase in freight rates.

### Sundry Other Earnings

43. Taking into account the trend of actual earnings under this head during the course of the year, the Revised Estimates for 1999-2000 is fixed at Rs. 635.00 crore *i.e.* Rs. 5.00 crore more than the Budget Estimates for the year. Sundry Other Earnings have been assessed at Rs. 1417 crore in 2000-2001 based on growth of 5% in sundry earnings and Rs. 750 crore anticipated from commercial publicity and exploitation of land and air space, and leasing of right of way of Optic Fibre Cables.

### Suspense

44. In view of accretion under Suspense which represents unrealised traffic earnings, the target of clearance has been scaled down to Rs. 75.00 crores in the Revised Estimates, 1999-2000 from Rs. 200.00 crore as anticipated in Budget Estimates, 1999-2000. In view of renewed efforts by the railways towards clearance of outstanding dues, in the BE, 2000-2001 a clearance target under this head has been kept at the level of Rs. 500.00 crore.

### Gross Traffic Receipts

45. The aggregate effect of the above mentioned factors is that the Gross Traffic Receipts for 1999-2000 are revised to Rs. 33096.00 crore against the Budget Estimates of Rs. 33311.00 crore. The Budget Estimates of Gross Traffic Receipts for 2000-2001 comes to Rs. 36529.00 crore.

### Working Expenses

44. The details of the actuals of the year 1998-99, Budget and Revised Estimates 1999-2000 and Budget Estimates 2000-2001 of Working Expenses are given below:

(Rs. in Crore)

Details	Budget	Actuals	Budget	Revised
		1998-99	1999-2000	1999-
2000	2000-2001			
General Superintendence				
and	1280.18	1426.86	1402.92	1453.31
Service on Railways				

Repairs and Maintenance of	2470.95	2885.85	2737.50	2903.56
Permanent ways and Works				
Repairs and Maintenance of Motive Power	1421.75	1580.21	1541.86	1646.14
Repairs and Maintenance of Carriages and Wagons				
Repairs and Maintenance of Plant and Equipment	1337.10	1506.99	1507.33	1573.07
Operating Expenses Rolling Stock and Equipment	2434.61	2564.38	2551.23	2669.87
Operating Expenses Traffic	5009.29		5551.04	5548.60
6080.16				
Operating Expenses Fuel	4882.69		5148.14	5599.99
6430.02				
Staff Welfare and Amenities	978.68	1131.27	1100.40	1
171.26				
Miscellaneous Working Expenses	1272.74	1444.29	1322.71	1456.4
8				
Provident Fund, Pension and other Retirement Benefits	4159.86	3314.74	4111.34	5333.17
<hr/>				
Total	33860.57	27898.99	29464.71	30331.32

Credits or Recoveries	500.36		424.71	447.32
431.61				
Deduct-Amount recouped from funds	4144.03	3300.00	4094.00	5313.96

NET		23254.60	25740.00	25790.0
0	28115.00			
Appropriation to				
D.R.F.	1155.00	1589.00	1550.00	
	2441.00			
*Appropriation to Pension				
Fund	3425.00	2954.00	3569.06	499
5.96				

\* Excludes Appropriation to Pension Fund for Miscellaneous Establishment.

#### **Working Expenses Revised Estimates 1999-2000**

47. The sanctioned Budget Grant for 1999-2000 for Ordinary Working Expenses was Rs. 29464.71 crore (Gross). The Revised Estimates of Rs. 30331.32 crore (Gross) is more than the Budget Grant by Rs. 866.61 crore. There have been savings in all the demands except demand nos. 7, 10 and 13. Credits in reduction of expenditure are estimated at Rs. 447.32 crore *i.e.* Rs. 22.61 crore more than the Budget. The amount recouped from Funds has been enhanced to Rs. 4094.00 crore over the Budget Grant of Rs. 3300.00 crore. The Revised Estimates of Net Working Expenses has, thus, been kept at Rs. 25790.00 crore, Rs. 50 crore more than the Budget. Increase of Rs. 866.61 crore in gross expenditure comprises of an increase of Rs. 860.30 crore under Voted portion, and Rs. 631.11 lakh under Charged appropriation which is on account of more payments anticipated in satisfaction of court decrees.

As regards, the other items making up Total Working Expenses in Revised Estimates, the contribution to Depreciation Reserve Fund has been kept at Rs. 1550.00 crore *i.e.* Rs. 39.00 crore less than the Budget level, whereas appropriation to Pension Fund has been increased to Rs. 3569.00 crore from the Budget level of Rs. 2954.00 crore.

#### **Working Expenses Budget Estimates 2000-2001**

48. The Budget Estimates of Ordinary Working Expenses (Gross) for the year 2000-2001 has been placed at Rs. 33860.57 crore involving an increase of Rs. 3529.25 crore over the Revised Estimates of Rs. 30331.32 crore for 1999-2000. Credits in reduction of expenditure are estimated at Rs. 4331.61 crore *i.e.* Rs. 15.71 crore less than the Revised Estimates. The amount recouped from Funds is estimated at Rs. 5313.96 crore. Taking together the credits and the amount recouped from Funds, the Net Working Expenses are estimated to be Rs. 28115.00 crore during 2000-2001 as against the Revised Estimates for 1999-2000 of Rs. 25790.00 crore, an increase of Rs. 2325.00 crore.

49. The increase in expenditure of Rs. 3529.25 crore (Gross) is mainly on account of:

- (a) Increase in staff costs (Rs. 1664.50 crore) analysed as under:(i) Payment of Dearness Allowances (Rs. 300.99 crore)
- (ii) Salaries, wages on POH and Other Allowances (Rs. 141.68 crore)
- (iii) Higher pensionary charges (Rs. 1221.83 crore) due to resumption of retirements from 2000-2001 as also higher dearness relief.
- (b) Increase in material and other costs on account of increase in prices, additional maintenance of assets, repairs and maintenance of rolling stock, electrical, signal and telecommunication services, contractual payments, and increase in traffic (Rs. 462.37 crore).
- (c) More expenditure on fuel arising from increase in traffic and prices of Diesel and Electricity tariff (Rs. 829.27 crore).
- (d) Lease/Hire charges to Indian Railway Finance Corporation (Rs. 380.00 crore) and under Own your Wagon and BOLT Scheme (Rs. 23.03 crore)
- (e) Other Miscellaneous factor (Rs. 174.46 crore); partly off-set by less provision under Charged appropriation due to less payments anticipated in satisfaction of court decrees (Rs. 438.33 lakhs)

### Miscellaneous Transactions

50. The details of the Actuals 1998-99 Budget and Revised Estimates 1999-2000 and Budget Estimates 2000-01 under Miscellaneous Transactions are as under:

(Rs. in Crore)

Details	Budget	Actuals	Budget	Revised
	2000	1998-99	1999-2000	1999-
	2000-2001			2000
1	5	2	3	4

### RECEIPTS

(i) Receipts from

Subsidised 0.13

Companies

(ii) Railway Recruitment

Boards 4.10

1.79

2.24

2.63

(iii) Other Misc.

Receipts 8.61

7.94

7.26

6.77

(iv) Subsidy from

General 601.65

709.80

687.09

795.25

Revenues towards dividend relief and other concessions

(v) Contribution from General			200.00	300.00
Revenues for Railway Safety Works				

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Total	1104.65	614.49	719.53	896.59
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**Expenses**

(i) Payment to worked lines	0.23		0.22	0.25
0.25				
(ii) Subsidy		0.01	0.01	0.01
0.01				
(iii) Surveys		8.27	8.26	6.22
7.32				
(iv) Misc. Railway Expenditure	204.74		226.31	225.31
234.42				
(v) Open Line Works Revenue		34.94	45.00	3
8.00		38.00		
(vi) Appropriation to Pension	10.00		10.00	10.00
10.00				
Fund				

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Total	290.00	258.19	289.80	279.79
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**Net Miscellaneous**

Receipts	356.30		429.73	616.80
814.65				

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### Net Miscellaneous Receipts

51. Net Miscellaneous Receipts in the Revised Estimates, 1999-2000 have been placed at Rs. 616.80 crore against Budget Estimates of Rs. 429.73 crore.

The Budget Estimates for 2000-01 of Net Miscellaneous Receipts is estimated at Rs. 814.65 crore which provides for an increase of

Rs. 197.85 crore over the Revised Estimate of 1999-2000.

### Dividend to General Revenue

52. The Budget Estimates for 1999-2000 of Dividend payable to General Revenue was Rs. 1914.08 crore. The Revised Estimate of

Rs. 1904.74 crore involving a decrease of Rs. 9.34 crore is based on the latest available estimates of Capital-at-Charge.

The dividend liability to General Revenues for 2000-01 works out to Rs. 2115.38 crore. In view of shortfall in internal generation, it is proposed to transfer Rs. 1500.00 crore to Deferred Dividend Liability Account.

53. When asked about the factors which were responsible for lower traffic receipts and higher working expenses at the revised stage of estimates for 1999-2000, the Ministry of Railways have intimated the Committee as under: "The position of receipts during 1999-2000 in BE and RE is as under:

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<u>Receipts</u>	BE	RE	Vari
Passengers	9449	9484	
35			
Other			
Coaching	691	811	120
Goods	22341	22091	250
Sundry Other			
Earnings	630	635	5
Total	33111	33021	
90			
Traffic			
Suspense	200	75	125
Gross Traffic			
Receipts	33311	33096	215

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As is seen from the above, the Receipts have reduced in Revised Estimates by Rs. 215 crore due to shortfall anticipated in goods earnings and less clearance of traffic suspense. Under Goods,

although target of loading of 450 million tonnes is likely to be achieved, the earnings are estimated to fall below the Budget Estimate level due to drop in lead and change in commodity mix. Despite the intensive efforts being made by the Ministry of Railways at pursuing payments by the Power Houses and State Electricity Boards, the outstanding recoverable from Power Houses has increased from Rs. 1139.91 crore in March 1999 to Rs. 1477.12 crore in January, 2000. Taking into consideration the overall poor trend of receipts from Power Houses during 1999-2000, the target for clearance in Traffic Suspense in the current financial year has been reduced to Rs. 75 crore. Regarding working expenses, the post budgetary factors like levy of cess and increase in the price of HSD oil (Rs. 637 crore), increase in electricity tariffs (Rs. 100 crore), higher rate of incentive bonus to the workshop staff, revision of family planning allowance (Rs. 50 crore), damage to Railway property by the Orissa cyclone (Rs. 50 crore), etc. have put an additional financial burden of around Rs. 900 crore on the Ordinary Working Expenses. Due to implementation of an Action Plan to reduce expenditure, the post budgetary impacts are likely to be absorbed almost within the existing level of Ordinary Working Expenses. The Ordinary Working Expenses projected at Rs. 25,740 crore in Budget Estimates 1999-2000 have been kept at Rs. 25,790 crore in the Revised Estimates, thereby providing a marginal increase of Rs. 50 crore.

Appropriation to Pension Fund has been increased from Rs. 2,954 crore to Rs. 3,569 crore to meet higher pensionary liabilities as a result of delayed implementation of the recommendations of the Fifth Central Pay Commission. **Tariff Adjustments (2000-2001)**

54. The details of tariff adjustments proposed for the year 2000-2001 are as under:

**1. Freight Rates** 1.1 There will be no increase in the freight rates of Grains & Pulses (classified under 95M Trainload and 100M Wagonload), Kerosene, LPG, Sugar, Edible Salt (Salt NOC), Edible Oils (Oil Div. E), Fruits and Vegetables.

1.2 There will be no increase in the freight rates of Urea.

1.3 The freight rates of all commodities except those mentioned in paras 1.1 and 1.2 above will increase by 5% (five per cent) subject to revision of classification of certain commodities as given in paras 1.4 and 1.5 as under. Certain n

1.4 The classifications of the following commodities will be upgraded as under:

Commodities	Trainload		Wagonload	
	Exist	Prop.	Exist	Prop.
(i) Chemical Manure				
Div.				
A	105	115	110	125
Div.				
B	85	100	95	110
Div.				
C	85B	85	90A	90

(ii) Livestock	180	220
(iii) Oil Seeds	100	

130

1.4.1 The cumulative increase in rates will be more than 5% (five per cent) in the above commodities.

1.5 The classification of the following commodities will be downgraded as under:

Commodities	Trainload		Wagonload	
	Exist	Prop.	Exist	Prop.
(i) Coal				
(a)	135A	130A*	135B	130B*
(ii) Cement		150A	145A*	150B
145B*				
(iii) Iron				
Ore	125	120	130	125
(iv) Limestone				
&	125	120	130	125
Dolomite				
(v) Petroleum & Other		280	270 *	300
No change				
hydrocarbon oils		300	290 *	300@
No change				
(dangerous and non-dangerous) in class				
280 and 300 in trainload				

Note: \*New Classes

@ Coal for household consumption will continue to be charged at existing class rate. 1.5.1 The cumulative increase in rates will be less than 5% (five per cent) in the above commodities.

**2. Passenger** 2.1 There will be no increase in the fares of any class.

2.1.1 The fares of Season Tickets and Rajdhani/Shatabdi Express trains will continue without any change. **3. Parcel and Luggage** 3.1 Parcel and Luggage Scale rates including haulage rates for Motor Car/tractor will be increased by 7% (seven per cent). Medicine will be exempted from this increase.

3.1.1 News paper and Magazine Scale rates will continue without no change. **Railways Performance during 1998-99**

#### Traffic receipts

55. The details of Gross Traffic Receipts for 1998-99 according to the Final accounts, the Revised Estimates for that year and actuals of the ending year 1997-98 are as under:

(Rs. in crore)

Details		Actuals		Revised
Actuals		1997-98		1998-
99	1998-99			
<hr/>				
Passenger - Upper				
Classes	1311.64		1459.30	1456.69
Passenger - Second Class				
6261.54	7056.70		7093.27	
<hr/>				
Total - Passenger Earnings				
7573.18	8516.00		8549.96	
<hr/>				
Other Coaching				
Earnings	586.17		650.00	649.
00				
Goods				
Earnings		19866.38	20390.16	
19960.39				
Sundry Other				
Earnings	540.45		600.00	6
65.51				
Total				
Earnings		28566.18	30156.16	
29824.86				
Suspense				
22.85	260.00		205.40	
<hr/>				
Gross Traffic				
Receipts		28589.03	30416.16	29
619.46				

56. The Railways ended the year 1998-99 with a Total Earnings of Rs. 29824.86 crore which are less than the Revised Estimates by Rs. 331.30 crore. This was due to short fall in Goods Earnings (Rs. 429.77 crore) and Other Coaching Earnings (Rs. 1.00 crore) partly offset by increase in Passenger Earnings (Rs. 33.96 crore), Sundry Other Earnings (Rs. 65.51 crore). However, due to further accretion to the Suspense representing unrealised earnings, the Gross Traffic Receipts came to Rs. 29619.46 crore, that is, less than the Revised Estimates by Rs. 796.70 crore.

#### Working Expenses

57. The details of actual gross amounts of expenditure under various Grants of the Working Expenses for 1998-99 and the Revised Estimates for that year and the actuals for 1997-98 are as under:

(Rs. in Crores)

Demand No. and Nomenclature	Actuals	Revised 1997-98	Actuals 1998-99	Percentage 1998-99	
variation over Revised Estimates					
General Superintendence and Services on Railways Repairs and Maintenance of Permanent way and Works Repairs and Maintenance of Motive Power Repairs and Maintenance of Carriages and Wagons Repairs and Maintenance of Plant and Equipment Operating Expenses Rolling Stock and Equipment Operating Expenses Traffic Operating Expenses Fuel	1142.52  2298.90  1281.30  2376.31  1201.84  1957.52  4261.89	1320.54  2539.70  136.70  2630.10  1361.63  2433.96  5064.85	1280.18  2470.95  1421.75  2651.14  1337.10  2434.61  5009.29	3.06  2.71  3.95  0.80  1.80  0.03  1.10	
Staff Welfare and Amenities Miscellaneous Working Expenses Providend Fund, Pension and other		868.41  1057.81	1012.49  1244.81	978.68  1272.74	3.34  2.24
3523.90	3844.62	4159.86	8.20		
Retirement Benefits					

Total		24637.45	27658.45	27898.9
9	0.87			
<hr/>				
Credits or Recoveries		523.80	453.45	500.36
10.35				
Deduct-Amount recouped from funds		3508.62	3830.00	4144.03
				8.20
<hr/>				
NET		20605.03	23375.00	23254
.60	0.52			
<hr/>				

58. The ordinary working expenses (Gross) for the year 1998-99 came to Rs. 27898.99 crore, which are higher by Rs. 240.54 crore as compared with the Revised Estimates of Rs. 27658.45 crore. The excess occurred under all Demands except Demand Nos. 3,4,7,9, & 11. Credits or recoveries and amounts recouped from Funds which are outside the grant for the purpose of Vote of Parliament, taken together, were Rs.360.94 crore more than the Revised Estimates. In the final analysis, the net working expenses were Rs. 120.40 crore less than the Revised Estimates of Rs. 23375.00 crore.

59. As regards other items making up the total working expenses, Rs. 1155.00 crore have been appropriated to the Depreciation Reserve Fund and Rs. 3425.00 crore to the Pension Funds. Appropriation to Depreciation Fund has been reduced by Rs. 445.00 crore but appropriation to Pension fund has been retained at Revised Estimates level.

#### **Net Miscellaneous Receipts**

60. As a result of a decrease of Rs. 11.82 crore in Miscellaneous Receipts and Rs. 13.19 crores in Miscellaneous expenditure, Net Miscellaneous receipts which came to Rs. 356.30 crore in Actuals 1998-99 which is Rs. 137.00 crore more than the Revised Estimates for that year.

#### **Net Financial Results 1998-99**

61. The aggregate effect of the aforesaid variation is that the Net Revenue (before payment of Dividend to General Revenues) decreased by Rs. 229.93 crore from the Revised Estimates figure of Rs.2371.09 crore. The Dividend payable to General Revenues on actual computation was Rs. 1742.08 crore as against the Revised Estimates of Rs. 1751.70 crore. Thus the excess after meeting payment of Dividend to General Revenues, came to Rs. 399.08 crore.

#### **Changes in Fares and Freight Rates (1998-99)**

62. In the Railway Budget proposals implemented w.e.f.20.6.1998 there was no general increase in freight rates. The telescopic taper off freight rate per km. was modified resulting in 1 to 2% reduction in the freight rates in long lead in respect of Coal, Iron & Steel and Cement and a maximum increase of 2% in short lead traffic of Coal. The classification of certain commodities was

raised by one step, while in case of some other the same was reduced by one step during the course of the year, the classification of the following commodities was reduced giving further relief to customers.

(a) Sponge

(b) Hot briquetted Iron Ore

(c) Sulphur (in bagged form) and

Sulphur (in loose form)

(d) Stainless Steel slab. 63. Fixation of lower weight condition for charge on Hot rolled coil traffic, introduction of train load benefit on the basis of number of wagons loaded, grant of train load benefit on two destination rakes were some of the other measures taken during the year.

64. A scheme of "Volume Discount" was introduced for traffic in Cement, Clinker, Iron Ore, Sponge Iron and Iron & Steel in the second half of the year 1998-99. The consignors offering incremental traffic of 5% and more compared to the traffic loaded by them in the first half of the year were entitled to 10% discount on the total incremental quantity of freight paid traffic.

### **Passenger Fares (1998-99)**

65. The following changes were made in the fares w.e.f. 20.6.1998 as announced in the Railway Budget. (i) The fares for Second Class (Ordinary) were increased ranging from Re. 1 to Rs. 5 per passenger in different distance slabs. The fares of Sleeper Class (Ordinary) and First Class (Ordinary) were increased ranging from Rs. 5 to Rs. 20 per passenger in different distance slabs. The fares for Second Class Monthly Season tickets were increased by Rs. 5 to Rs. 15 per ticket in different distance slabs. The Quarterly Season Tickets continued to be fixed at 2.7 times the fares of Monthly Season Tickets.

(ii) The fares of the following classes were increased by the amount shown below:

Second Class (Mail/Express) Rs. 5 to Rs. 25

Sleeper Class (Mail/Express) Rs. 10 to Rs. 45

First Class (Mail/Express) Rs. 20 to Rs. 60

AC Chair Car Rs. 20 to Rs. 60

AC 3 Tier Sleeper Rs. 40 to 120

AC 2 Tier Sleeper Rs. 60 to Rs. 180

AC First Class Rs. 180 to Rs. 540

(iii) The fares of AC 3 Tier were made inclusive of bed roll charges as in the case of AC 2-Tier. The fares of Rajdhani and Shatabdi Express trains were increased by 20% approximately. The fares for Metro Railway, Calcutta were increased by Re 1 to Rs. 3 per ticket. In Mass Rapid Transit System (MRTS), Chennai, the surcharge of 50 paise was raised to Re. 1 per ticket. A surcharge of Rs. 2 was introduced in First Class.

(iv) The price of Platform ticket was increased from Rs. 2 to Rs. 3. The Reservation and Supplementary charges for superfast trains were also revised suitably.

### **Parcel & Luggage Rates (1998-99)**

66. The Parcel and Luggage rates were increased by 5% at all distances w.e.f. 20.6.1998. However, Newspaper and Magazines were exempted from this increase.

### **Sale of Scrap on Indian Railways**

67. There is a sizeable arising of scrap material on Indian Railways such as unserviceable items, off-cuts due to manufacturing processes, condemned machinery and plant, condemned rolling

stock (locomotives, coaches and wagons), permanent way materials released due to gauge conversion and track renewals etc. All these items which cannot be put to economical use by the Railways are sold on all Indian Railways either through invitation of tenders or public auction.

68. Indian Railways have time-tested systems of collection, sorting and disposal of these scrap materials. The ferrous materials sold by Indian Railways are used by re-rolling mills and other industries located throughout the country. The sale of scrap during the last two years has been as under:

1997-98 1998-99

Rails (M.T.)

& P. Way Ferrous 616761 570672

Other Ferrous (MT) 286274 270595

Non-ferrous (MT) 6390 8819

Wagons (Nos.) 14789 12707

Coaches (Nos.) 1806 1717

Locomotives (Nos.) 110 100

Total Sale Value

(Rs. in crores) 876 765

69. During the year, 1999-2000 (upto September, 99) sale value realised is Rs. 288 cr. which was contributed by 1,04,547 Metric Tonnes of ferrous, 1,94,733 Metric Tonnes of rails, 48 locos; 571 coaches and 4,422 wagons. There is a slight setback in the sale of scrap due to reduced requirement in Steel Industry and critical law and order situation in North East and Eastern regions.

70. During evidence, on enquiry about the basis and mechanism by which the items are declared as scrap for sale, Member Mechanical, Railway Board, informed the Committee as under: "I cannot vouch that there is no misuse of the scrap in such a huge organization. But if anyone say that in such a big organization everything is totally going on correctly, would not really be the truth. That is why I had mentioned that we are aware that there are mafias. Therefore, what we are doing is we are shifting of selling of scrap from one place to other. Probably, we have not been able to get over the mafia problem". He further stated: "There is a very set procedure. A competent Committee decides as to whether a particular item is to be scrapped or not. After the Committee decides, competent Authority accepts the same. Thereafter it is handed over to the Stores for sales." 71. When pointed out that even new items purchased by the Railways on previous day were sold as scrap the next day, the Member Mechanical clarified: "We are also aware of the shortcomings. There are always some badheads in all organizations and we also would be having such people. But there are certain limitations. We will be very grateful if further suggestions are given to improve the situation. But I would like to ensure once again that on paper there is a set procedure. In such a huge organization, there would be some bypassing of that procedure. Some non-moving items may have gone to scrap yard. We will try and see that further vigilance is exercised and I will get some vigilance checks done in this regard. We will get them to make sure that at least good materials are not passed off as scrap from the shop directly. I assure the Committee that we would have vigilance checks done." Freight Traffic

1998-99

72. The traffic plan envisaged lifting of 424 million tonnes of originating revenue freight traffic and traffic output of 282 billion tonnes kilometres (BTKM) in 1998-99 at the Revised Estimates stage. The actual performance during 1998-99 has been 420.92 million tonnes of originating traffic which was 8 million tonnes less than the performance in 1997-98. The traffic output was 282 BTKM as compared to 284 BTKM in 1997-98.

73. The originating tonnage and the traffic output could not meet the levels anticipated in the Revised Estimates on account of changes taking place in the economy, the ongoing recession and for the spatial gap between production and consumption centres narrowing down resulting in the drop in lead of traffic. The lead is also getting affected by such factors as imports, shortening of routes due to gauge conversion and gradual self-sufficiency being achieved by certain food grain deficit areas.

74. The freight earnings at Rs. 19,960 crore registered a marginal increase of 0.5% over 1997-98.

1999-2000

75. The target of 450 million tonnes with an average lead of 685 KM and a traffic output of 302 BTKM originally fixed for the year 1999-2000 has been retained in Revised Estimates. However, keeping in view the changes in product mix at the R.E. stage and fall in lead, the freight earnings have been estimated at Rs. 22,091 crore i.e. Rs. 250 crore less than the earnings anticipated in Budget Estimates.

2000-2001

76. The targets and the projected level of revenue earning traffic for the year 2000-01 compared with that of 1999-2000 areas under:

**1999-2000 (RE) 2000-01 (RE)**

**(a) For originating 450 MT 475 MT  
loading**

**(b) Lead 670 668**

**(c) Tonnes Kms. 302 BTKMs 317 BTKMs**

**(d) Earnings Rs. 22,091 cr. Rs. 23,638 cr.**

**Passenger Traffic**

**1998-99**

77. Passenger journeys at 4,411 million in 1998-99 increased by 1.45% from 4,348 million in 1997-98. Passenger kms. also increased by 6.32% from 380 billion in 1997-98 to 404 billion in 1998-99. Earnings from passengers were Rs. 8,526.74 crore, registering an increase of Rs. 972.70 crore (12.88%) over the previous year.

During 1998-99, the Railways introduced 149 (single) new trains (including 4 Rajdhani/Shatabdi Express), extended the run of 106 (single) and increased the frequency of 48 (single) in non-suburban sector.

1999-2000

78. In the first six months (April-September) of 1999-2000, the number of originating passengers at 2,266 million (Provl.) increased by 42 million as compared to the corresponding period of 1998-99. Passenger earnings at Rs. 4,578.87 crore increased by Rs. 473.01 crore (11.52%) over Rs.

4,105.86 crore of the corresponding period of the previous year.

2000-2001

79. The targets and the projected level of passenger traffic for the year 2000-2001 compared with that of 1999-2000 are as under:

	1999-2000 (RE)	2000-2001 (BE)
Number of Passengers millions	4630	4800 millions
Passenger Kilometres millions	428735	449138 millions
Lead	92.6	93.6
Earnings	Rs. 9484 cr.	Rs. 10,148 cr.

### Passenger Services

80. The Railways have proposed to provide the following services to the passengers:

**New Trains**(i) Lucknow-Bhopal Express (bi-weekly)

(ii) Bangalore-Shimoga overnight Express (daily)

(iii) Tirupati-Nagercoil Express (Bi-weekly)

(iv) Sealdah-New Delhi Rajdhani Express (Bi-weekly)

(v) Jodhpur-Bangalore Express via Hubli, Ahmedabad (weekly)

(vi) Howrah-Purulia Express (daily)

(vii) Ajmer-Bangalore Express via Hubli, Ahmedabad (weekly)

(viii) Sealdah-New Jalpaiguri Express (Tri-weekly)

(ix) Bhagalpur-Ranchi Vananchal Express (Tri-weekly)

(x) Okha-Dehradun Uttaranchal Express (Weekly)

(To serve Dwarka, Ahmedabad, Jaipur and Haridwar)

(xi) Shalimar-Bankura Express

(xii) Kakinada-Visakhapatnam-Nagarsol Link Express (Bi-weekly)

(xiii) Ahmedabad-Nagpur Express (weekly)

(xiv) Sealdah-Amritsar Superfast Express via Patna Sahib (weekly)

(xv) Bandra Terminus-Gandhidham Express (by merging 2963/64 Bandra-Vadodra Sayajinagari Express and 9103/04 Vadodra-Gandhidham Inter-City Express)

(xvi) Lucknow-Ballia-Chhapra Express

(xxvii) Varanasi-Baidyanath Dham Express (Bi-weekly)

(xviii) Bikaner-Suratgarh Service

(xix) Bangalore-Puttaparthi Service **Increase in Frequency** (i) 8563/8564 Vishakapatnam-

Bangalore Express: from 4 days to daily

(ii) 2951/2952 Mumbai Rajdhani Express: from 6 days to daily

(iii) 2953/2954 August Kranti Rajdhani Express: from 6 days to daily

(iv) 1029/1030 Pune Howrah Azad Hind Express: from 2 days to 3 days a week

(v) 9263/9264 Porbandar-Delhi Sarai Rohilla Express: from weekly to Bi weekly. **Extension, Connection,**

**Augmentation** (i) 6635/6636 Kurla-Ernakulam Netravati Express to Trivandrum

(Also augmentation to 22 coaches thereby increasing 280 berth capacity daily)

(ii) 5011/5012 Gorakhpur-Cochin Raptisagar Express to Trivandrum

(iii) 7057/7058 Bilaspur-Cochin Express to Trivandrum

(iv) 7081/7082 Indore-Cochin Express to Trivandrum

(v) 6731/6732 Bangalore-Madurai Express to Tuticorin

(vi) 3287A/88A Patna-Rourkela Link Express to Bilaspur

(vii) 6333/6334 Trivandrum-Rajkot Express to Hapa

(viii) 6803/04 Howrah-Trichy Express to Kanniyakumari (on one day in a week)

(ix) 1095/96 Pune-Ahmedabad Ahimsa Express to Gandhidham (on one day in a week)

(x) 2475/2476 Jammu Tawi-Rajkot Express to Hapa

(xi) 1269/1270 Rajkot-Bhopal Express to Jabalpur (on two days in a week) **New Services/Extensions to be**

**introduced upon completion of Gauge Conversion and New Lines** (i) Extension of 9031/32 Mumbai

Central-Gandhidham Kutch Express to Bhuj

(ii) One pair of passenger service between Gandhidham and Bhuj

(iii) Extension of Rail bus services between Nadiad and Kapadvanj to Modasa

(iv) One pair of passenger services on Peddapalli-Karimnagar section **M.E.M.U. Services** (i) Patna-Mokama section

(ii) Shalimar-Bankura section

(iii) Chennai-Arakkonam-Renigunta section

(iv) Lucknow-Kanpur section

(v) Srikakulam-Vishakhapatnam section

(vi) Katpadi-Jolarpettai section **D.M.U. Services** (i) Amritsar-Pathankot section

(ii) Raichur-Gulbarga section

(iii) Erode-Trichy section **Surveys**

81. The Ministry of Railways have decided to take the following surveys during the year 2000-2001:

**New Line Surveys** (i) Titagarh to Sonarpur with junction arrangement to the circular railway at Ultadanga.

(ii) Behrampur to Kandi

(iii) Zaheerabad to Secunderabad

(iv) Bhavnagar to Tarapur

(v) Jind to Sonapat

(vi) Kohima to Dimapur

(vii) Ponduru to Razam

- (viii) Dankuni to Champadangavia Seakhala and Furfurah Sharif and connecting Seakhala to Bargachia
- (ix) Jaggayyapet to Miryalguda.
- (x) Pettancheru to Jogipet
- (xi) Jhunjhunu to Pilani
- (xii) Majerhat to Thakurpukur (Circular Rly;)
- (xiii) Updating survey of Port Blair to Diglipur.
- (xiv) Raipur to Jharsuguda via Kharotapalan, Baloda Bazar and Bhatgaon, Sarangarh.
- (xv) Pandurangpuram to Bhadrachalam.
- (xvi) Krishnanagar to Karimpur
- (xvii) Panki to Mandhana
- (xviii) Merta Road to Beawar
- (xix) Katpadi to Chennai via Gindi, Punnamallee and Kanchipuram to Tindivanam
- (xx) Jhalor to Phalna
- (xxi) Koderma to Talaiya
- (xxii) Banka-Nawadah-Jamui
- (xxiii) Shirpur to Mhow
- (xxiv) Sarna to Madhopur
- (xxv) Badowal to Sahnewal
- (i) Udhana to Jalgaon
- (ii) Jaipur to Merta Road
- (iii) Rajpura to Bhatinda
- (iv) 3rd line from Thiruvallur to Arakkonam
- (v) Ramnagaram to Mysore

**Doubling Surveys**

**Railways Share in transport**

82. In relation to roads, the share of Railways in the movement of goods and passengers has declined significantly over the years. In 1950-51, the Railways carried 89 percent of goods traffic. This declined to 40 per cent in 1996-97. Similarly, Railways carried 80 percent of passenger traffic in 1950-51 which declined sharply to 20 per cent in 1995-96 as shown below:

**Share of Railways in Goods and Passenger Traffic (%)**

Year	Goods	Passenger
1950-51	89	80
1960-61	71	58
1970-71	65	41
1980-81	62	37
1991-92	47	21
1996-97	40	20

83. Rail transport, as compared to road transport, is 6 times more energy efficient and cost effective. It is, therefore, logical that the share of Railways should not decline with respect to

other modes of transport.

84. The frequent increase in freight rates make transportation by rail less competitive today than before. In addition to this, capacity constraints on the major trunk routes which carry the bulk of both passenger and freight traffic, inadequate wagon utilisation, inadequate provision for replacement of over-aged assets and time and cost overruns in the execution of the railway projects are some of the major areas of concern.

### **Operating Ratio**

85. The operating ratio of the Railways has deteriorated sharply in the last few years and reached a dangerously high figure of 98.8% in BE 2000-2001. The total earnings for the year also include Rs. 750 crore from non-traditional sources of revenue. In the recent past, the goods earning targets have invariably slipped in the actuals. In

1998-99, the goods earnings target slipped by Rs. 1726.00 crore from budgeted level while in R.E. 1999-2000 the goods earnings target has been reduced by Rs. 250 crore. In case, the non-traditional resources do not materialise and there is again a fall in the goods earnings in 2000-01, it is possible that the operating ratio will shoot up beyond 100%.

86. When asked if the operating ratio goes beyond 100%, what would be the impact on financial health of the Railways, the Ministry of Railways have stated as under: "The Operating Ratio denotes the percentage of total working expenses (sum of Ordinary Working Expenses and appropriation to Pension Fund and Depreciation Reserve Fund) to gross earnings of the Railways. An operating ratio of more than 100% would imply that the earnings are insufficient to meet the total working expenses. Such a situation would tend to cause a reduction in appropriation to Depreciation Reserve Fund thus affecting replacement and renewals of the over-aged assets. Ordinary Working Expenses may be curtailed but this would adversely affect the operations and day to day maintenance of assets". 87. However, it is felt that in case the Railways are asked to pay the deferred Dividend liability of Rs. 1500 crore, the operating Ratio may cross 105% mark and if this trend continues, a time will come when the Railways would not be in a position to pay even the salary and wages bill for their employees.

### **Suspense**

88. The Gross Traffic Receipts of the Railways fell by Rs. 1852 crore in the actuals as compared to Budget Estimates 1998-99. This was mainly due to fall in Goods Earnings by Rs. 1726 crore and fresh accretion of Rs. 205 crore of outstanding dues against a clearance target of Rs. 260 crore in BE. Even though in the current year (1999-2000) the target of clearing has been reduced from Rs. 200 crore to Rs. 75 crore in Revised Estimates. But a very high target of clearing Rs. 500 crore under Suspense Account has been kept in BE 2000-2001.

89. Asked about reducing the clearance target under suspense in 1999-2000 from Rs. 200 crore to Rs. 75 crore and the basis for fixing the higher clearance target of Rs. 500 crore in BE 2000-2001, the Ministry of Railways in their written reply have stated as under: "Despite the intensive efforts being made by the Ministry of Railways at pursuing payments by the power houses and SEBs, the outstanding recoverable from Power Houses has increased from Rs. 1139.91 crore in March 99 to Rs. 1477.12 crore in January 2000. The outstanding due of the following three major defaulting power houses continued to rise and to end of January 2000, they, collectively owe the Railways Rs. 1229.66 crore:

Power House/SEB in	Closing Balance		Net Accretion 1999-
	Closing Balance Up to Jan 2000	March 99	
2000			
Badarpur Thermal 994.43 Power Plant Haryana SEB 117.77	955.38		39.05
Delhi Vidyut Board 17.46"	25.41		92.05
			1

90. Further, the trend of receipts from a few other power houses, that were earlier making regular freight payments, has worsened in the current year. These are:

(Rs. in Crore)

Power House/SEB Accretion	Closing Balance		Net In 1999-
	Closing Balance Up to Jan 2000	March 99	
2000			
Punjab SEB 82.67		0	82.67
Rajasthan SEB 26.34	3.85		22.49
M.P. SEB 8.57		2.25	6.32

T.N.

SEB

4.65

5.11

9.76

Maharashtra

SEB

10.01

9.71

19.72

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91. Taking into consideration the overall poortrend of receipts from Power Houses, during 1999-2000, the target for clearance in Traffic Suspense in the current financial year has been reduced to Rs.75 crore.

They have further stated:"The target of Rs. 500 crore under suspense in B.E. 2000-2001 has been fixed after taking into consideration an expected clearance of Rs.500 crore in the outstanding dues of Badarpur Thermal Power Plant. This is based on the current correspondence with the Ministry of Power."**Revenue Leakages**

92. A sizeable chunk of the railway revenue is being lost due to ticketless travel and non-weightment of coal which is an acute and chronic ailment of the Railways resulting in over-loading or under-loading of Wagons.

93. Asked about the steps the Ministry of Railways have taken to plug this menace, they have intimated the Committee as under:"Railways revenue leakages in freight charges are due to mis-declaration of commodities, incorrect application of rates instructions, incorrect calculation and wrong classification etc.

Commercial Inspectors/Travelling Inspectors of accounts and Vigilance Inspectors are deputed on railways to check goods shed and Parcel office to check correct recovery of railway dues. The calculations of freight are checked by Accounts Department and in case of errors, the amount is debited to the station and recovered from the person responsible.

Further, in order to prevent revenue leakage arising from overloading of wagons, 25 additional weigh bridges are being installed at strategic stations/locations to increase revenue from undercharges and prevent overloading of wagons.**Leakage of Railway revenue by way of settlement of Goods compensation claims.**

Indian Railways have stated that they are relentlessly striving to secure safety of goods entrusted to them for carriage, and to ensure that the consignments reach their destinations without pilferage, damage or delay in transit. They attach paramount importance to the attainment of this objective not merely to save drainage of revenue in the form of payment of compensation, but also to earn precious goodwill of their customers. At the same time, if, despite the best preventive efforts, any loss or damage occurs, the next objective is to settle the owners' claim for compensation expeditiously and gracefully according to the law of the land."

94. When asked to intimate the steps taken in this regard, the Ministry of Railways have stated: "Following steps are taken by Zonal railways to prevent/minimize claims:(i) Escorting of goods trains by Railway Protection Force and armed personnel on vulnerable sections.

(ii) Insistence on provision of dunnage to protect flap doors where required in case, for instance, of wagon-load consignments of sugar, grains and pulses and oilseeds;

- (iii) Proper marking and labelling of packages to avoid their loss/over carriage;
- (iv) Use of metal tape on wagons to avoid misdespatches and prevent them from becoming unconnected.
- (v) Proper handling of goods at forwarding, destination and transshipment points;
- (vi) Ensuring use of pictorial labels on fragile goods with a view to preventing breakage, damage etc.;
- (vii) Intensification of surprise checks to detect cases of short loading and other irregularities and mal-practices;
- (viii) Prompt fixation of staff responsibility;
- (ix) Special study of specific streams of traffic to localize the causes and places of theft and pilferages and follow up action thereon.
- (x) Opening of NR (Non-Receipts) Cells on Zonal Railways to trace such wagons/consignments which have not reached destination within normal transit time.

**Steps taken to plug revenue leakage on the Railways in respect of passenger services:**

Increase in ticket checking earnings over the years:

**(Rs. in crore)**

1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
20.03	24.20	27.56	31.95	37.05	41.94	52.72	64.97	79.98	94.58	121.58	148.51

April 1998-January 99

122.6 cr.

April 1999-January 2000

134 cr

Special checks conducted:

- (i) 96 hrs. drives (continuous checks at one spot/station/mid-section.)
- (ii)

Ambush checks (in mid-section)

(iii) Fortress checks (at station premises)

(iv) Inter-Division checks.

(v) Cross country checks (in sections) **Uneconomic Branch Lines**

95. As per the review of the Uneconomic Branch Lines done during 1998-99, there are 114 branch lines (47BG, 43MG, and 24NG) which were found to be uneconomical and the Railways incurred a loss of about Rs. 328 crore excluding dividend on this account. In spite of recommendations by several high level Committees to close down all such uneconomic branch lines where alternative mode of transport exist or can be developed, the Railways still continue operation of these lines though they are ready to offer financial assistance as under: (a) On one time basis, the Railways may subsidise the procurement of additional buses required due to closure of rail sections subject to the State Government agreeing for their permanent closure. (b) Again on one time basis, Railways may offer financial assistance for development/improvement of road infrastructure which will be a pre-requisite for withdrawal of train services.

(c) Offer of Railway embankments in respect of 13 lines in Gujarat for conversion into all weather metalled roads.<sup>96</sup> When asked about the compulsions of the Ministry of Railways for not closing down these Uneconomic Branch Lines and the steps they have taken to overcome these compulsions, they have intimated the Committee as under: "The losses being suffered by the Railways in operation/maintenance of the uneconomic branch lines have been a cause for concern to the Government. Various high level committees have made recommendations for closure of these branch lines. Railways go by the recommendations of the High Level Railway Reforms Committee (RRC) which had *inter alia* recommended for closure of (i) 40 such lines where alternate road services are available & (ii) 17 lines in Gujarat where alternate road services could be developed. The RRC had also recommended that in case the concerned State Governments do not agree to the closure of the lines, they should share the losses on these lines with the Railways on 50:50 basis. The Committee further recommended that the Railways should set off 50% of the losses on such lines against the share of Grants payable to the States in lieu of passenger fare tax after making dialogue with them. Since closure of these lines will have various social and political implications, Railways have to take the consent of the concerned State Governments who were accordingly consulted at the Zonal Railways level as well as Railway Ministers level. But generally the State Governments neither agree to the closure nor to the sharing of losses. After much persuasion, Railways could be able to close down 19 lines out of these 57 (40+17) lines so far. Besides this, two other lines have also been closed. The remaining lines could not be closed due to reluctance of the State Governments. Efforts are however continuing to persuade the State Governments concerned to agree to the closure by offering them suitable financial packages. Railways have also taken a number of steps to reduce the losses on these lines".

### **Inventory Control**

97. The Ministry of Railways have informed the Committee that Inventory Management on Indian Railways has progressively improved over the years. Use of modern gadgets like computer is playing a vital role in day-to-day monitoring of inventory performance and materials management. 1998-99 was more eventful than the preceding year as the Turn Over Ratio (TOR), the main efficiency indicator for inventory management, improved from 11% to 10% without fuel and from 9% to 8% with fuel.

98. Computers are being extensively used on Indian Railways for accounting and generation of useful managerial reports for better management of materials. Purchase offices on Central and Northern Railways have been selected for computerisation on the pattern of Western Railway where it is already computerised.

99. In order to improve the quality and availability of materials, IR has taken certain measures like quality evaluation of materials manufactured by them, continuous assessment of quality, introduction of ISO 9000 and quality assurance programme, and procurement of low-value items through rate contracts. This is necessary for ensuring quality of critical materials so that safety of passengers etc. is not compromised.

100. Asked about the steps to effect further improvement in the material management, the Ministry of Railways have submitted as under: "Indian Railways have made substantial achievement in inventory holdings for the last two decades. The Turn Over Ratio, which existed at the level of 41% (150 days inventory holdings) without fuel and 28% (102 days inventory holdings)

with fuel, has been brought down to a level of 10% (36 days inventory holdings) without fuel and 8% (29 days inventory holdings) with fuel during 1998-99." It has been further stated that the material management has a dual role: "(i) Providing continuous availability of materials for adequate repairs and maintenance of rolling stock such as locos, coaches, wagons etc; and

(ii) to maintain inventory at optimum level to avoid stock outs as well as keep low inventory." 101. Elaborating the point further, the Ministry have stated: "The present level of inventory holdings which represent less than one month's stock are considered at the minimum level, particularly when materials are required to be procured and transported from far flung places within the country. At present there is a need for stabilizing of this low inventory level, with the purpose of providing continuous availability of the material for repair and maintenance. It is also to be appreciated that these materials are required at many locations within the railways and certain minimum stocks are necessary to be kept for providing efficiency and for safe running of goods and passenger trains. However, Ministry of Railways have placed continuous emphasis for maintenance of low inventory, simultaneously providing adequate materials of spares and consumables for the rolling stock." 102. Further improvement in the material management envisage the following aspects:

"(1) Computerisation of Purchase Offices and Stores Depots on all Zonal railways and Production Units in phases, depending upon availability of funds.

(2) Identification and Disposal of obsolete/inactive items due to obsolescence.

(3) Efficient disposal of scrap." **Indian Railway Finance Corporation (IRFC)**

103. The Indian Railway Finance Corporation was set up in 1986 to partly finance the plan outlay of the Railways. The funds raised by IRFC are used to finance the acquisition of Rolling Stock such as Locomotives, Coaches and Wagons. These assets are leased to the Railways in accordance with the Lease Agreements executed between IRFC and the Ministry of Railways.

104. When asked about total liability of the Railways towards IRFC, the Ministry of Railways have in their written reply stated as under: "The value of rolling stock assets leased by IRFC year-wise is given below:

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Year	Amount (Rs. in Crore)
1987-88	770
1988-89	861
1989-90	1073
1990-91	1170
1991-92	1500
1992-93	962
1993-94	900
1994-95	1050
1995-96	659

1996-97	1902
1997-98	2238
1998-99	2951

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Total	16036
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The Railways are required to pay lease charges on market borrowings and private investment made through Indian Railway Finance Corporation, Build Own Lease and Transfer and Own Your Wagon schemes. An amount of Rs. 3014 cr. is estimated to be paid as lease charges in 2000-01BE. The amount of lease charges being paid has been increasing with the fresh borrowings every year. The amount of lease rental paid to IRFC year-wise is given below:

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Year	Amount (Rs. in Crore)
1987-88	15
1988-89	170
1989-90	230
1990-91	430
1991-92	666
1992-93	855
1993-94	960
1994-95	1126
1995-96	1395
1996-97	1446
1997-98	1856
1998-99	2113
1999-2000	2350

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Total	13612
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The lease charges are part of the Ordinary Working Expenses of the Railways and, to that extent, constitute a reduction in their internal resources. However, a part of it, around 40%, goes towards redemption of the borrowed amount. So, it may be regarded as deferred payment of the cost of assets already acquired. To that extent, they are part of plan expenditure incurred by the Railways."

#### **Land Management**

105. Indian Railway owns 4.20 lakh hectares of land, which is mainly used for locating service and operational infrastructures such as track, stations, workshops, staff colonies, etc. The break-up of the land is as follows:

Description	Area (in lakh hectares)
Track and structures including workshops Stations, staff colonies etc.	3.34
Afforestation	0.35
Grow More Food scheme	0.19
Commercial licensing	0.04
Other miscellaneous uses like pisciculture	0.01
Encroachment	0.02
Vacant land	0.25

106. When asked for how long the land measuring 0.02 lakh hectares has been under encroachment and what steps have been taken during the last ten years by the Railways to get it vacated, the Ministry of Railways have intimated to the Committee as under: "Unauthorised occupation of railway land has been in existence over a considerable period of time. Migrant population from rural areas all over the country find it easy to occupy the Government land on coming to urban areas. As railway land is in the shape of long strips, it is difficult to defend it against encroachment. It is, therefore, difficult to hazard a guess regarding the exact period these encroachments have been in existence.

Removal of encroachments on railways land is a continuous process. Action to remove the same is taken under Provision of Public Premises (Eviction of Unauthorised Occupants) Act, 1971 with the help of State Government/Local Civil authority which is generally not made available in most of the cases. Eviction cases, are also taken up in the court of Estate Officers. Even after passing of eviction orders by the Estate Officers these are not being implemented due to interference by the local leaders/Public representatives. The cases are also dragged to various courts viz. Civil Courts/High Courts and even to the Supreme Court where it takes a long time for a case to get finally decided. In the meantime the encroachers continue to use the encroached Railway land. At present about 45578 cases are pending in different courts against the encroachers on railway land. In addition to the above following steps have been taken by the Ministry of Railways to get the encroached land vacated: (a) Ministry of Urban Development has been requested on 7.12.1998 to give Magisterial Power to Estate Officers to enable them to deal with eviction cases more effectively against the encroachers on railway land. However reply from Ministry of Urban Development is still awaited.

(b) Railways have been advised to remove the encroachments on railway land under Sec. 147 of the Railways Act, 1989.

(c) Para 42.4 of RPF Rules has been amended to enable the RPF personal to help the Railway officials to remove the encroachment on railway land.

(d) Railways have been advised to ensure that no fresh encroachments take place.

(e) Northern Railway has been advised to prepare an action plan for removal of encroachments on railway land in view of the recent judgement dated 15.2.2000 by the Honble Supreme Court.

(f) Separate Land Management Organisation has been set up as a Pilot Project on Central & Western Railways for preventing controlling encroachments on railway land. The working of this Organisation being monitored closely so that further extension elsewhere on similar lines can be considered on the basis of experience gained. The experience from the pilot projects so far has been quite encouraging.

(g) Survey of encroachments through Satellite imagery is also being tried to keep a regular watch on encroachments. Northern Railway has been advised to procure few samples of satellite images. As the technique is expensive, it has been proposed to implement it on a restricted scale starting from Delhi area."107. On enquiring whether there is any planning for proper utilisation of 0.25 lakh hectares vacant land, the Ministry of Railway have stated as under:"Railway has about 25000 hectare of land vacant. A major portion of these lands are in the form of longitudinal strips along the track which is necessarily to be kept vacant keeping in view the safety of train operation, stability of embankments, non-interference with track side signals and telecommunication installations. Vacant land along the track and in yards are also often utilised for stacking of ballast, sleepers and other materials and for burrowing earth in connection with routine maintenance works. Vacant railway land is also to be kept reserved for future growth/development plans of the Railways.

Till such time the vacant lands other than those under track and structures and those required for immediate use of the Railways, are actually utilised for Railways developmental works, these are required to be preserved and put to short term uses like licensing for commercial purposes, afforestation and temporary licence to Railway employees for cultivation purposes.

The actual physical utilisation of such lands can only be undertaken in a phased manner side by side with the expansion and development of Railway system keeping in view the overall financial resources and the transport needs of the country." **Imports**

108. During the last five years the value of store items imported by the Railways are as under:

(Rs. in crore)

S.No.	Nature of stores	1994-95	1995-96	1996-
97	1997-98 1998-99			
1. Steam loco parts and fittings	4.7	0.03	0.41	0.23
2. Diesel loco parts and fittings	102.0	74.39	113.64	75.21
4.44				11

3. Electric loco parts and fittings	33.2	41.11	35.03	68.64	4.
54					
4. Carriage, wagon and fittings	6.5	0.73	3.27	10.56	2
11.46					
EMU parts and fittings					
5. Electrical stores	4.9	0.94	2.45	3.72	
3.53					
6. Engineering stores	9.5	3.17	15.20	10.48	
32.25					
7. Ball and roller bearings	5.7	2.11	2.32	1.66	
3.98					
8. General stores covering	11.0	7.99	9.74	12.57	
9.64					
acids, chemicals, durgs etc.					
9. Metal ferrous	30.9	3.86	9.76	11.9	
6 7.97					
10. Other items (including	103.5	87.74	146.57	96.20	
164.24					
complete units of rolling stocks <i>i.e.</i> bogies, wheel-sets, couplers etc.)					
<hr/>					
Grand Total	311.19	222.07	338.39		2
91.23 552.05					

109. Asked whether these items can be manufactured either by the Railways themselves or by indigenous manufacturers to save foreign exchange outgo on these items, the Ministry of Railways have intimated the Committee as under: "There is continuous emphasis on imports substitution by Indian Railways by way of indigenous development in house in the railway manufacturing units or

from private industry, wherever possible. Indian manufacturers are provided all possible assistance in the matter of import substitution". **Assets acquisition, construction and replacement**

### **Demand No. 16**

110. Demand Nos. 1 to 15 represent the Non-Plan expenditure whereas Demand No. 16 represents Plan expenditure which covers assets acquisition, construction and replacement. This Plan expenditure on Railways is financed through three sources *Viz.* (1) Capital/Budgetary Support from General Exchequer (2) Internal Resources and (3) Extra Budgetary Resources in the form of Market Borrowings.

### **Ninth Plan Allocations**

111. Working Group on Railways initially suggested a Plan size of Rs. 93000 crore anticipating a Gross Domestic Product (GDP) growth rate of 7% per annum and a 5% shift of traffic from Road to Rail. However, taking a realistic view of the availability of resources, the Plan size was moderated to Rs. 65000 crore with a view to achieving a growth rate of 5% per annum in freight traffic and 3% per annum in passenger traffic. But finally the Planning Commission approved the Ninth Five Year Plan of the order of Rs. 45413 crore with an overall Budgetary/Capital Support of Rs. 11791 crore.

112. Explaining briefly the projections of the financial achievements made during the last three years of the Ninth Five Year Plan (1997-2002) the Finance Commissioner, submitted before the Committee during the course of evidence as under: "We are now in the midst of Ninth Plan period. The Planning Commission gave us a total plan outlay of Rs. 45000 crore plus, but midway, that is, with the current year ending, we are expecting to finish with only about Rs. 23000 crore reduced to 1996-97 prices. If the balance of Rs. 22,000 crore at those prices are to be filled up, we really needed to have plan sizes of Rs. 13000 crore and Rs. 16000 crore for the next two years. But we had to be content with the plan size of Rs. 11000 crore." **Annual Plan 1999-2000**

113. The Annual Plan 1999-2000 has been re-assessed at Rs. 8965 crore from Rs. 97000 crore at the fag end of the year. The major constraints before the Ministry of Railways for re-assessing the Annual Plan have been higher pensionary liabilities (Rs. 794 Cr.), fall in the receipts (215 cr.) and increase in working expenses due to various post-budgetary factors. In addition, enhanced financial support had also to be provided to Konkan Railway Corporation to meet its commitments on interest payment to its lenders.

114. The planhead-wise allocations in the Budget Estimates, 1999-2000 and reduction of allotments at the time of Revised Estimates, 1999-2000, are as under:

(Rs. in crores)

Plan heads Estimate	Variation	Budget Estimate	Revised
		1999-00	1999-
00	(RE/BE)		

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—			
New Lines			
(Construction)	580.99	504.47	76.52
Purchase of New			
Lines	0.00	0.00	0.00
Restoration			
9.86	19.01	9.15	
Gauge			
Conversion	645.00	529.13	115.
87			
Doubling	625.00	552.49	
72.51			
Traffic			
Facilities	220.00	184.08	35.9
2			
Computerisation	70.00	43.00	
27.00			
Railway			
Research	10.00	6.80	3.2
0			
Rolling			
Stock	3905.00	3645.99	259.
01			
Track			
Renewals	1500.00	1455.65	44
.35			
Bridge			
Works	125.00	114.05	1
0.95			
S&T			
Works	375.00	338.30	
36.70			
Electrification			
Projects	350.00	315.28	34.72
Other Electrical			
Works	130.00	109.20	20.80
Machinery &			
Plant	110.00	80.28	29.72
Workshops-incl.			
PUs	250.00	185.82	64.18

Staff quarters	55.00	49.86	
5.14			
Amenities for Staff	55.00	50.40	4.60
Passenger amenities	130.00	132.08	
2.08			
Investment in PUs.	20.00	0.05	19.95
Other specified works	55.00	42.71	12.29
MTPs	300.00	243.20	
56.80			
Inventories	170.00	373.00	
203.00			
<hr/>			
Total	9700.00	8965.00	
735.00			

115. Giving reasons of reduction of Annual Plan 1999-2000 from Rs. 9700 crore to Rs. 8765 crore, the Financial Commissioner stated during the evidence as under: "On one side, the receipts are suffering to the extent of Rs. 215 crore, on the other side, the pensionary expenses have gone up to the extent of Rs. 700 crore. So, we had to make a reduction in the Plan outlay. Though we had planned for Rs. 9700 crore, we are making a revised estimate for Rs. 8,965 crore." **Annual Plan 2000-01**

116. **The Plan outlay for the Annual Plan 2000-01 as proposed by the Ministry of Railways was Rs. 12,700 crore to be funded as under:**

Internal Generation	Rs. 5250 crore
Market Borrowings	Rs. 3000 crore
Capital support from General Exchequer	Rs. 4450 crore

117. **The Planning Commission had proposed the Annual Plan for 2000-01 at Rs. 7966 crore as per the following breakup:**

Internal and Extra Budgetary Resources	Rs. 2126 crore
Cess	Rs. 300 crore
Capital support from General Exchequer	Rs. 3540 crore

118. However, the Railways have decided on the Annual Plan 2000-01 at Rs. 11000 crore to be funded as under:

Capital support from General Exchequer	Rs. 3540 crore
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Market Borrowings Rs. 3668 crore

Internal Generation and contribution from

General Revenues for Railway Safety Works Rs. 3792 crore

119. The Annual Plan 2000-01 at Rs. 11000 crore constitutes an increase of about 23% over the revised plan outlay of Rs. 8965 crore for the year 1999-2000. This Plan size consists of Rs. 3540 crore as Capital Budgetary Support, Rs. 3792 crore from a combination of normal internal resources, non-traditional sources of revenue and contribution from General Revenues for Railway Safety Works and Rs. 3668 crore as market borrowings.

120. The major portion of the estimated market borrowings for 2000-01 is intended for procurement of Rolling Stock. The gestation period for Rolling stock production/procurement is considerably less than other projects where large investments have to be made over long time spans before any earnings are possible. The rate of return is also appreciably higher on investments in rolling stock than the cost of borrowing funds. It has always been the endeavour of the Railways, as stated by them, to maintain a judicious balance of budgetary support, internal generation, and market borrowings, especially taking into account the higher cost of market borrowings compared to budgetary support. It is in this context that the Railways have been pressing for higher levels of budgetary support to meet the requirements of planned development.

121. This outlay would be utilised for achieving the following financial and physical targets under some of the important Plan Heads during the year 2000-01:

**(a) Financial Targets**

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<b>Plan Head</b>	<b>(Rs. in crores)</b>
New Lines	825
Gauge Conversion	600
Doubling	655
Computerisation	70
Rolling Stock	3900
Track Renewals	2000
Road Safety Works-Level Crossings	50
Road Safety Works ROB/RUB	250
Signalling & Telecom Works	425
Electrification Projects	325
Workshops including PUs	320
Staff Quarters	60
Amenities for Staff	60
Passenger and other Railway Users Amenities	200
Metropolitan Transport Projects	400

**(b) Physical Targets**

**Plan Head**

Electrification	500 route Kms.
<b>Track Renewals</b>	
(i) Primary	2650 track Kms.
(ii) Secondary	600 track kms.
Construction of New Lines	217 route Kms.
Gauge Conversion	385 Kms.
<b>Rolling Stock</b>	
(i) Locomotives	
Diesel	93
Electric	94
(ii) Coaches:	
EMUs/Metro	240
Others	1760
(iii) Wagons (in terms of 4-wheelers)	23,000
(iv) Rail Buses	10
(v) Cranes	04

122. The sources of funding for each of the important Planhead mentioned in the Performance Budget 2000-2001

(Rs  
in Crore)

Plan Head	Capital from	Capital	Depreciation	Development	Open Line	Market
Borrowings/	Total	Fund	Reserve	Fund	Works	Built Operate Lease
Scheme/Own	General	Exchequer	Fund	Fund	( Revenue)	Transfer
Scheme						Your Wagon

1	2					
3	4	5	6	7	8	

New							
Lines	802.00			1.00		22.00	825
.00							
Gauge		348.00	261.00	-			
88.00	4.00			75.00		600.00	
Conversion							
Doubling		643.00		1.00			
1.00			10.00		655.00		
Computerisation		10.00	20.00				
18.00	18.00		4.00			70.00	
Rolling Stock		167.00	20.00	212.00			
1.00			3500.00		3900.00		
Track							
Renewals			2000.00				2
000.00							
Road Safety							
Works				50.00			50.00
(Level Crossings)							
Road Safety							
Works				227.00		23.00	250.00
(Road Over/ Underbridge)							
Signal and Telecom		2.00	1.00				
170.00	220.00		4.00		28.00		425.00
Electrification		323.00			1.00		1.00
325.00							
Projects							
Workshops		50.00	100.00	21.00			
44.00	5.00			220.00			
Including							
production units							
Staff							
Quarters		35.00		25.00			
60.00							
Staff Amenities		16.00	19.00	10.00			
14.00	1.00			60.00			
Passenger				30.00			
159.00	1.00		10.00	200.00			
Amenities							
Metropolitan		400.00					
400.00							
Transport							

123. Explaining the break-up details of internal resources to be generated from non-traditional sources the Financial Commissioner, Railway Board stated before the Committee as under: "We are also expecting a substantial clearance in the outstanding dues from the Badarpur Thermal Power station. Our Minister has taken a strong initiative to move the matter with the hon. Power Minister. We do expect that we would be able to get at least some Rs. 500 crore. With these things our resources are going up. We also propose to tap certain non-traditional sources of which the most prominent would be the exploitation of right of way for optical fiber and communication. This is intended to strengthen not only the Railways own communication efforts, but also it would leave an additional capacity for leasing out. This way, we are expecting to garner something like Rs. 1500 crore. There would be added emphasis on commercial exploitation of land and air space and commercial publicity by utilizing this space available to freight trains and passenger trains. From all of these, we are expecting to get some additional Rs. 750 crore or so. With that and along with the Badarpur Thermal Power station dues coming up, we are banking on something like Rs. 1200 crore extra receipts. On this basis, our internal resources are coming to something like Rs. 3,792".

124. Reappropriation of funds from one Plan head to another within the same source of funding is permissible in terms of paras 376 and 377 of Indian Railway Financial Code Volume I and laid down delegation of powers by Railway Board/Railways. The basic objective of reappropriation is to ensure best utilisation of sanctioned provision through anticipated saving in one Plan head to meet additional requirement elsewhere.

125. Reappropriation from one work/plan head to another within the same source of funding becomes necessary when progress of work on projects is slower than anticipated due to reasons such as: Delay in land acquisition

Failure of supply of material

Poor progress/failure of contract

Natural Calamities

Technical reasons

Poor response to tenders

Re-allocation of priorities **New Lines**

126. Budgetary outlay for New Lines (construction) was estimated to be Rs. 600 crore for the year 1999-2000, which was, later on at the fag end of the year revised to Rs. 514 crore. For the year 2000-2001 the budgetary estimate for the same Plan Head has been kept at Rs. 825 crore, which is 60.5% above the revised estimate of Rs. 514 crore for the year 1999-2000.

127. The funds which were provided in the budget 1999-2000 were reduced due to shortfall in availability of resources from Rs. 600 crore in the budget to Rs. 504.54 crore in the revised estimates. The entire available amount would be fully spent and in fact there is considerable demand for additional funds from the Railways executing the new line projects.

128. They Ministry of Railways have informed the Committee that they were faced with the situation where the New Line projects on hand require Rs. 20,382 crs. beyond 2000-01 for their completion not considering inflation. The funds made available each year varied between Rs. 400

to Rs. 500 crore which were not even enough to cater to inflation. In fact there are 13 new line projects older than 10 years appearing in the budget. Of these, 3 have been commissioned but residual works are going on and the remaining 10 are in various stages of progress. This situation is very unsatisfactory and in order to improve the position the outlay has been increased by 60.5% to Rs. 800 crs.

129. It was added by the Ministry that the present level of investment *i.e.* Rs. 825 crs. is far from ideal. The time taken for a new line project should be 6-7 years considering the work load involved *i.e.* final location survey, land acquisition, formation and bridges, ballasting and tracks, signalling and electrical works, stations, staff quarters and colonies etc. The throw forward is over Rs. 20,000 crs. The ideal situation would be to provide this amount with inflation adjustment in the next 7 years.

130. Asked whether all the new New Line projects included in the budget 2000-01 have the approval of the Planning Commission and the Expanded Board, the Ministry of Railways stated that the same were considered by them who did not recommend them. However, the Cabinet Committee on Economic Affairs has cleared all these projects and they have thus been included in the budget having the requisite clearances. The Planning Commission examines and appraises the projects and then this appraisal note forms the basis of discussion in the Expanded Board which has representatives of Planning Commission, Ministry of Programme Implementation, Finance Ministry and Railways at Secretary level. According to the Ministry of Railways the Expanded Board is a recommendatory body and the final decision is to be taken by the Government *i.e.* CCEA.

131. The outlays for these newly sanctioned New Lines in the budget 2000-01 are as under:

1. Devgarh-Sultanganj Rs. 6 crore
2. Tarakeswar-Bishnupur Rs. 22 crore
3. Kotapalli-Narsapur Rs. 1 crore
4. Gandhinagar-Kalol Rs. 2 crore
5. Ajmer-Puskar Rs. 1 crore
6. Ramganjmandi-Bhopal Rs. 1 crore
7. Newmoinaguri-Jogighopa Rs. 6 crore

132. The total throw forward ongoing New line projects as on 1.4.2000 is as under: Throw forward for ongoing

new line projects = Rs. 19097 crore

Proposed estimate for 7 new

works in the budget 2000-01 = Rs. 2110 crore

Total amount required for all

projects as on 1.4.2000 = Rs. 21207 crore

133. The ideal size of shelf in respect of new line projects should, as stated by the Railways, be about 7 times the annual outlay. Considering the present level of Rs. 825 crs. which however, is the highest ever, the shelf should not exceed Rs. 6000 crs. It can only be achieved either by dropping some of the low priority projects or by additional funding by the Central Government to complete some of the ongoing projects and thereby reduce the shelf.

134. In reply to a question the Ministry of Railways have stated that priorities of all ongoing projects approved by the Cabinet Committee on Economic Affairs on 9.11.1998 are being observed. However, there was persistent demand for completion of projects which have been

lingering for years and the present Government has decided to accord priority to the completion of projects which have been lingering for more than 10 years. It is proposed to increase the funding to these projects one by one so that they can be completed.

135. The Ministry have also informed the Committee that priorities of new projects have to be fixed each year and also the priorities of projects getting completed or nearing completion would also need revision. This exercise would be taken up at the time of formulation of the 10th plan.

136. Clarifying the reasons as to why only an increase of 17% has been witnessed in the line capacity even after 52 years since independence, Chairman Railway Board, deposed before the Committee as under: "Before independence, Company Railways were doing construction and they were guaranteed a rate of return on their capital investment. Any investment in new lines, excepting for some special areas, is not a financially viable proposition. What has been happening in the Railways is, because of financial constraints, adequate investments in new lines have not been made. As there was no level-playing field, support for construction of new lines which should have come from out of Government funds was not available to the required extent. Therefore, lesser and lesser investment went into the new lines. New lines are aspirations of the people. Today when we have sanctioned projects for about Rs. 20,000 crores and if we are spending at the rate of Rs. 500 crore per year under the limited finances, they will take about 40 years for completion. ... Today we may say that a project is not financially viable and so it is not recommended. But finally approval comes because the social pressures and social requirements are compelling. So, if money for the construction of new lines comes out of the General funds and operating losses for some period are borne by those funds, route kilometers could have been increased to the requirement of the people of the country." 137. Emphasizing an ideal plan size for New Lines the Chairman Railway Board, submitted as under: "Normally when we sanction a project, we must ensure that if we spend every year, say, X crore of rupees, the projects on the shelf should be in the range of three to five X crores. That means, in a period of three to five years, we should be able to complete a project which we sanctioned. This way, by and large, we can ensure implementation of all categories of projects. New lines are projects where aspirations and demands of people in the local areas are reflected. New lines and gauge conversions are the projects where sanctions are much more than the capacity. If we spend, Rs. 500 crore, I should have on the project shelf about Rs. 2,500 crore. As against that, we have Rs. 20,000 crore. The question will be as to why this has become so. Why was it not checked? The checking went out of hands because of various pressure. The pressures were because of the aspirations of the people. We would not like to blame any one in this regard. We say that the required finances are not available. But the question is that in the pre-Independence era, if we could do new lines and after Independence if we have added only 17 per cent, there is something radically wrong with the system. That is why this question comes up again and again. These are the only two problem areas - New Line and Gauge conversions. The problem is that they are financially not viable. For some time they do not yield anything and operating losses also are suffered. Therefore, it is necessary to look at these two areas from a different angle. If these two types of projects are removed from the Railways ambit then perhaps we are doing all projects in time without any cost or time over-runs". 138. The Member, traffic, underlying the importance of railway infrastructural development for augmenting the line capacity

for increasing internal resources submitted before the Committee asunder: "You take any system in the world, the expansion of the system has been the responsibility of the Government. It is never the responsibility of the system and wherever this has not been done, the system has gone into bankruptcy... The restructuring of all the railway managements in the world has been done by political action and not by internal action of the railway system. In all the railway systems in the world, the restructuring was done at the instance of the political masters. The majority of restructuring that was done was through the process of financial restructuring whereby the past loans and liabilities were written off. The entire expansion of the system also has been taken over by the Government. The high-speed network that is coming up in the developed countries is entirely funded by Government. Where the public service obligation has to be discharged, the gap between the cost and the remuneration is obtained out of such socially relevant services from either the local Government or the State Government or the Central Government. Therefore, public service obligation has been accepted as the liability of the sponsoring agency whether it is the Central or the State Local Government. The investments in development of the basic infrastructure has also been accepted as the responsibility of the State."

**Gauge Conversion**

139. Budgetary outlays for Gauge Conversion were estimated Rs. 645 crore during the year 1999-2000 and at the revised stage only Rs. 529 crore have been estimated to be incurred. Against this revised estimate *i.e.* Rs. 529 crore, the Budgetary estimates under the same Plan Head in the current Budget have been earmarked at Rs. 600 crore.

140. Gauge conversions have been going on slowly ever since independence but the Railways decided in consultation with the Planning Commission, that *w.e.f.* 1.4.92 a thrust be given to Gauge conversion by taking up Project Uniguage for the selective conversion of MG/NG lines to BG in the coming years.

141. The gauge conversion programme aimed at generation of substantial transport capacity in the country by opening up alternative routes to ease the congestion on the present Broad Gauge trunk routes which were working to saturation. It was felt that Gauge conversion of most of the routes would have a large impact on the economic growth of the country and provide operational advantage to the Railways and that the conversions would result in better utilisation of BG rolling stock by improving turn-round due to elimination of transshipment time losses and availability of alternative and in some cases, even shorter route. BG rolling stock were to be suitably augmented by using the funds earlier earmarked for procurement of MG rolling stock.

142. The criteria adopted by the Ministry of Railways for conversion of MG to BG are broadly the following: To develop alternative routes and links to generate additional carrying capacity.

Lines required for urgent strategic/operational considerations.

When the transshipment at change of gauge points becomes uneconomical or a bottleneck in coping with the anticipated growth of traffic.

When there is need to provide speedy uninterrupted means of communication between areas which have potential for growth.

143. Accordingly project uniguage was launched on 1.4.92 to carry out large scale selective gauge conversion with a target of 6000 km. in the VIIIth Plan.

Against this Railways have converted 6897 km in the 8th Plan and 1685 km. in the first 3 years of the 9th Plan.

144. In this connection the Committee have been informed that work is still in progress on a few remaining operationally important routes viz. Surendernagar-Bhavnagar-Dhola-Dhasa with extension to Pipavav, Gandhidham-Palanpur, Secunderabad-Mudkhed-Addilabad, New Jalpaiguri-Siliguri-New Bongaigaon. These would be completed in the coming years. Works would also be progressed on other socially desirable but economically un-viable projects taken up by the Government on developmental considerations as per availability of resources in the coming years.

145. Having converted about 8582 km of Meter Gauge/Narrow Gauge lines to Broad Gauge in the last 8 years, the Ministry have stated that the time has now come to consolidate the new routes developed and integrate them fully into the system. In view of this, the Railways propose to concentrate on making these converted routes by providing missing facilities. With the need to conserve resources and first to meet the need of capacity generation on the saturated routes, the outlays on gauge conversion are now being reduced and the works in progress have been prioritised so that the lines require on operational consideration become available first. The work on the other projects is proposed to be regulated as per availability of resources and completed in the coming years.

146. The funds which were estimated in the budget 1999-2000 have been reduced due to shortfall in availability of resources. The Ministry of Railways have assured that this reduction has been enforced and the entire available amount would be fully spent and in fact there is considerable demand for additional funds from the Railways executing the gauge conversion projects.

147. The Ministry of Railways have further stated that the funds required beyond 2000-01, for completing all the gauge conversion projects are Rs. 8968 crore. If these projects are to be completed in a reasonable time frame of 10 years, funds of the order of Rs. 900 crore will be required each year.

148. The Committee were also informed by the Ministry of Railways that the priorities of all ongoing Gauge Conversion projects approved by the Cabinet are being observed. However, there was persistent demand for completion of projects which have been lingering for years and the present Government has decided to accord priority to the completion of projects which have been lingering for more than 10 years. It is proposed to increase the funding to these projects one by one so that they can be completed.

149. According to the Ministry of Railways priorities of new Gauge Conversion projects have to be fixed each year and also the priorities of projects getting completed or nearing completion would also need revision. This exercise would be taken up at the time of formulation of the 10th Plan.

150. The Gauge Conversion of the following sections is targeted for completion during 2000-2001:

Railway	Section	KM
CR	Nonera-Bhind of Guna-Etawah project	50
NER	Raxaul-Birganj	8

NFR	Makum-Dangri	31
NFR	Amguri-Tuli	14
SR	Laxmanthirtha birdge diversion on Mysore-Hassan line 1	
SCR	Mudkhed-Adilabad (BOLT)	142
WR	Wankaner-Morbi	48
	Gandhidham-Bhuj	58
	Darangdhara-Kuda	33
Total		385

### **Doubling**

151. Rs. 625 crore allocated in the budget 1999-2000 for doubling were revised to Rs. 552 crore at the end of the year. Against this revised estimate the Ministry have allocated Rs. 655 crore (BE) under the same Plan Head during the current year.

152. The funds which were provided in the budget 1999-2000 have been reduced due to shortfall in availability of resources. This reduction has been enforced and the entire available amount would be fully spent and in fact there is considerable demand for additional funds from the Railways executing the gauge conversion projects. 220 kms of doubling would be completed in 1999-2000 and a target of 330 kms has been fixed for 2000-01.

153. The funds required for completing the ongoing doubling projects beyond 2000-01 are Rs. 3099 crore. If Rs. 600 is provided each year with inflation adjustment, the Railways can complete all these projects in about 5 years time.

154. The priority for doubling works is based on operational needs and is determined by the Railway Board itself.

### **Computerisation**

155. Under the Plan-Head-Computerisation, Rs. 70 crore were estimated to be spent during the year 1999-2000. These estimates were revised to Rs. 43 crore at the Revised stage against this revised allocation. i.e. Rs. 43 crore, the Ministry of Railways have made provision of Rs. 70/- crore under the same Head during 2000-01.

156. A major concern of the Indian Railways will be speed at which information generated or otherwise gathered can be communicated within the organisation. The management of data as well as its transmission will be a critical factor in determining the organisation's operational as well as economic efficiency. To a large extent, this can be accomplished through installation of efficient computer systems suited to the needs of the Indian Railways and their integration, leading to improved management systems which should be conducive to achieving the highest level of efficiency the Railways are capable of.

157. Railways have plans to harness the potential of Information Technology in the areas where customers come into direct contact with the organisation, in dissemination of information on services provided to the customers, in generation of management information for effective control

on activities taking place and in decision support areas for perspective planning.

Explaining the policy of computerisation, the Financial Commissioner, Railway Board stated as under: "As the honble Members are aware, substantial increase has been made in the Passenger Reservation Centres. That is one area of computerisation. The other area has been National Trains Inquiry System where money has been provided. Another area is Freight Operation Information System. There is another area called Management Information System. In all these cases, a detailed processing takes place to develop programmes and also to develop planning for procurement of hardware accordingly. Unfortunately, in the last year as well as in the current year, the expected levels of progress have not been achieved. We are tuning it and the next year, hopefully, we will be able to do it." 158. In addition to developing and implementing the Freight Operation Information system and extending the scope of computerised passenger reservation system, which together from areas of public contract, Railways would seek to use Information Technology in areas like track management, computer aided design and manufacture etc. For the purpose of generation of management information, computer systems are being provided in divisions, production units, workshops, maintenance depots, stores depots etc. PC based systems are being provided to cover wide areas of management in Railway Board, Zonal Offices, divisional offices and field units.

159. For redressal of grievances on inadequacies of services, computers have been installed at 150 major stations. A National train inquiry system is being installed in different phases over the entire Indian Railways for providing information on latest position of running of passenger carrying trains through different media.

160. Computerised passenger reservation facilities have been provided at 523 locations on the Indian Railways. These have been provided at location where there are, on an average per day, 200 or more related transactions, at a large number of locations in major urban agglomerations, at all non rail head State capitals and far flung areas like Andaman & Nicobar Islands and Lakshadweep Islands.

161. Computerised reservation facilities have already been provided at the capitals of all Northeastern States, Sikkim and at Andaman and Nicobar Islands and Lakshadweep Islands. These serve the needs of remote areas. Additional requirements coming up from these areas will also be considered by the Railways on case to case basis.

162. The initial allotment of Rs. 70 crores during the year 1999-2000, included Rs. 19 crores for Freight Operation Information Systems, Rs. 8 crores for replacement of passenger reservation computer systems at Delhi and Chennai and Rs. 4 crores for Y2K solutions.

163. Freight Operation Information System is under revamping in consultation with M/s CMC Ltd. During the current year, one core module of the system had been developed and implemented on a few divisions of the Northern Railway and it is expected that the implementation will cover the entire Northern Railway before the end of the financial year. Under the circumstances only about Rs. 14 crore could be spent as against initial planned amount of Rs. 19 crores.

164. While processing the case for replacement of computer systems at Chennai and Delhi, it was thought fit to replace the computer systems at all locations with the latest State-of-the-Art machines because the existing series of machines are not likely to be supported by the manufacturers for long. The project for replacement of computer systems at all locations has been

sanctioned and scheduled for year 2000-01. Hence the amount of Rs. 8 crores sanctioned for this purpose during the current year *i.e.* 1999-2000 could not be spent.

165. Explaining the reasons as to why the allocations made in the budget 1999-2000 under plan head Computerisation could not be spent, Financial Commissioner, Railway Board submitted as under: "No doubt, it is true that under certain other Plan heads like Computerisation, the expenditure has come down. In this case, as I mentioned, the final grant was given at the level of Rs. 35.30 crore only even though revised allocation was Rs. 51.52 crore. The major work of Freight Operation Information System is progressing. Various procurement activities relating Divisional store and workshop to computerisation and were reviewed at the close of the year end stage where we found that there was no scope for spending the money that was provided in the Revised Estimates. So, the actual expenditure came down to Rs. 27.77 crore. But we make it a point that whenever such things are noticed, we are making specific efforts so that the gaps are not there."

### **Rolling Stock**

166. Rs. 3905 crore were allocated under the Plan head-Rolling Stock at the Budgetary stage during the year 1999-2000, and the same were revised to Rs. 3646 crore at the revised stage. Against this revised estimates, the Ministry of Railways have allocated Rs. 3900 crore in the current years Budget.

167. The Ministry of Railways have informed the Committee that the Planning for Rolling stock requirement is a continuous exercise and is carried out annually. The requirement is worked on the basis of utilisation norms for rolling stock, projection of freight and passenger traffic for the year under review and the replacement required for overaged assets. The present policy of purchasing/adding of new rolling stock of the Railways appears to be adequate keeping all the circumstances in view.

Explaining the present policy of wagon procurement, the Member (Mechanical) submitted before the Committee as under: "We are distributing 75% of the quantities based on Wagon India Formula, which was the established formula since 1974, and 25 per cent of the quantities only have been distributed on the competitive bidding... Normally, the Government policy is that ten per cent purchase preference only is given to the public sector units, and no price preference is involved. If we had gone by that formula, then in that case, the public sector units would have got a very small share of the orders because the competitive prices were such that they were not within ten per cent. For many of the wagon types, the public sector units were not within this ten per cent. We decided, therefore, that in this we will give 60 per cent of the distribution of the total 75 per cent, which was not on competitive bids, to the public sector units, and the remaining 40 per cent to the private sector units. Within the public sector units, we distributed it based on the formula of the last five years performance." Regarding the variation in the prices of wagon due to reimbursement excise duty, Member (Mechanical) explained before the Committee as under: "The policy has been that the base price shall remain the same, and the excise duty, as paid, will be reimbursed."

168. As per the Indian Railways the ideal investment under the Plan Head Rolling Stock should be such as to take care of all the rolling stock required on replacement account due to condemnation of overaged stock and also the additional requirements for lifting the projected incremental freight and passenger traffic. This investment must also be adequate to cover capital spare and initial spares for the Rolling Stock, rebuilding of locomotives/coaches at Patiala and Bhopal and

also miscellaneous safety/reliability related items such as retrofitment of air brakes, conversion to 110 volts, fitment of modified vestibules, purchase of speedometers, etc.

169. As put forth by the Ministry of Railways around Rs. 3000 crores per annum would be required for replacement of overaged rolling stock, rebuilding of locomotives/coaches and other safety/reliability related items, on the assumption that Indian Railways can overtake arrears over a period of next five years. Over and above this, about 2,500 crores would be required per year for additional rolling stock needed for lifting the projected incremental freight and passenger traffic, subject to materialisation of their predictions in growth of traffic and the availability of funds.

170. Explaining the purchasing and procurement policy in respect of store items and the necessary requirement its computerisation to ensure better transparency and availability, the Member (Mechanical), stated as under: "Sir, we have a very well established procedure for purchase of stores for the Indian Railways. We make our assessment on an annual consumption basis and based on the assumption we are floating open tenders and placing orders thereafter... All the materials of the major tenders that we will be floating will now be available on the website. We have already started a website in the Railway Board for procurements of engineering and other items that are being made. During the month of April, we will have all this information available. Those who want to complete in the tenders will have total transparency about the quantities procured, rates purchased last and so on. So, there is no difficulty for anyone in accessing this information... We have computerised major stores depots for receipts and issues. We have the linkages of the stores depots with the zonal headquarters. This means, the transaction during the month are sent to the headquarters and they go into the main computer of the zonal headquarters. We are also trying to now directly link these stores depots to the zonal headquarters so that the total availability of the material across the board is available." 171. As per the Indian Railways, the continuous decline in the total number of wagons is due to progressive replacement of four wheeler vacuum brake stock by eight wheeler air brake stock on Broad Gauge and reduction of Metre Gauge and Narrow Gauge Stock due to Gauge Conversion.

172. The number of wagons in equivalent four wheeler units in 1980-81 and 1998-99, gauge-wise is given below:

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Gauge	1980	1998-99
BG	424017	455809
MG	115177	35725
NG	8552	2650
<hr/>		
—		
Total	547746	494184

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173. It may be seen from the above that, in terms of equivalent Four Wheeler Units the number of Broad Gauge wagons which carried major share of freight traffic has actually increased from 414017 in 1980-81 to 455809 in 1998-99.

174. The carrying capacity of an eight-wheeler air brake wagon is 2.5 times that of four wheeler wagons. With the induction of increasing number of Air Brake wagons in the last decade, the carrying capacity has in fact increased even though the absolute number of wagons declined. Further, the number of Broad Gauge wagons, which carried major share of freight traffic has actually increased from 424017 in 1980-81 to 455809 in 1998-99 (in terms of four wheeler units).

175. According to Railways, the carrying capacity for freight traffic on Indian Railways has actually increased in 1998-99 compared to 1980-81 in spite of depletion in the total number of wagons. They are confident of achieving the freight traffic targets with the available wagon fleet.

176. The export of rolling stock is made through RITES and IRCON who have been allocated specific countries for exploring the export potential. Exported 42 Nos. MG coaches during the last 5 years (15 Nos. to Vietnam and 27 Nos. to Tanzania) for a total value of Rs. 30.83 crores.

177. The Ministry of Railways further informed the Committee that India is facing stiff competition from China and South Korea for export of coaches. RITES are hopeful of getting order for BG coaches from Bangladesh with their conversion of gauge in the near future. RITES are in touch with Sri Lanka and Vietnam for export of coaches. With the development of stainless steel coaches by ICF in the recent past both IRCON and RITES are hopeful of becoming increasingly competitive in export of these coaches.

### Safety

178. Allocations for safety works are made through various plan heads namely Signal & Telecommunications, Track Renewal and Bridge Works. During 2000-01, two new safety related plan heads viz. Road Safety Works (Level crossings) and Road Safety Works (Road Over/Under Bridges) are to be operated. These two plan heads are proposed to be financed through contribution received from General Revenues for Railway safety works. As regards non-traditional sources, these form a part of the internal resources component. Source-wise funding for these plan heads in 2000-01 is as under:

(Rs. in crores)

Name of Plan Head	Capital from		Internal & Budgetary Resources
	Extra	General Exchequer	
Signal and Tele-communication	2.00	423.00	425.00
Track Renewal		2000.00	2000.00

Bridge			
Works	2.00	73.00	75.0
0			
Road Safety Works			
		50.00	50.00
Level Crossings			
Road Safety			
Works		250.00	250.00
Road Over/Under			
Bridge			

### Signalling and Telecom Works

179. Signalling and Telecom Works were allocated Rs. 375 crore in the Budget 1999-2000, which were later on revised to Rs.338 crore at the end of the year 1999-2000. Against this revised outlay *i.e.*

Rs. 338 crore, the Ministry of Railways have made a provision of Rs. 425 crore in the current years Budget. The Railway Safety Review Committee headed by Justice H.R. Khanna has assessed a requirement of Rs.15000 crore for rehabilitation of overaged assets and for providing adequate technology back-up to operational staff connected with train running.

180. The Railway Safety Review Committee have recommend a one-time safety grant of Rs. 15,000 crore to be spent over next five to seven years. This means that on an average Rs. 3,000 crore is to be provided every year for wiping out the arrears of renewals of over-aged assets. Strong efforts stated to have been made by the Ministry of Railways to impress upon the Government about the urgent need to provide financial support. The Ministry of Finance has provided Budgetary Support of Rs. 1,000 crore and has also permitted Railways to defer Dividend payment to the extent of Rs. 1,500 crore. Another amount of Rs. 300 crore has been provided as contribution of General Revenue for Railway safety works. This additional support has enabled the Railways to provide higher allocations for safety related works. The Railway Safety Review Committee (RSRC) estimated approximately Rs. 5000 crore towards investment for S&T works. Item-wise break-up is given below:

1. Complete Track Circuiting on A, B, C, D spl. & E spl. Routes - cost Rs. 800 cr. (Para 6.4).
2. Upgradation and Interlocking of busy level crossing (Para 34.3) 160 crore Automatic Train Protection & Warning System on A & C routes - cost 1010 cr. (Para 6.2)
3. Train Radio Communication on A, B & C routes - cost Rs. 490 cr. (Para 6.1)
4. Replacement of over-aged signal system on A & C routes cost Rs. 644.5 cr.
5. Replacement of signal gears on age cum condition basis on other routes (Para 11) 1600 cr.
6. Block proving by Axle Counter on A, B routes Cost Rs. 227 cr. (Para 33.0)
7. Installation of Train Actuated Warning System (TAWD) at 100 manned level crossing (Para 34.4) 8 cr.

### Total = 5000 crore. Track Renewal

181. An outlay of Rs. 1500 crore was earmarked to undertake the job of Track Renewal in the Railway Budget 1999-2000, which was revised to Rs. 1456 crore at the Revised stage. Against this Revised Estimates of Rs. 1456 crore the

Ministry of Railways have allocated Rs. 2000 crore during the current year for taking up the works concerning with track renewal.

182. When asked about the policy of track renewal, the Ministry of Railways in a written note stated: "The main objective of track planning for the IX Plan is to carry out track renewals of current arising on A, B & C routes and to reduce the arrears on D & E routes. However, due to less allocation of funds for track renewals the railway has not been able to wipe out arrears of track renewal. The effect of less allocation is that the track renewal arrears which was 10957 kms. (Broad Gauge) at the beginning of the IX Plan has gone up to 12260 kms. by the end of the 2nd year of the Plan. The reliability of the overaged assets becomes comparatively less and calls for imposition of speed restrictions in certain cases. The overaged track also needs additional maintenance efforts." 183. In the Ninth Five Year Plan it has been proposed to wipe out the arrears of track renewals on A, B and C routes. For this and the other track related activities a sum of Rs. 13,200 crore was projected in the Plan document. However, due to financial crunch, the funds actually provided during the first two years of IX Plan were to the tune of Rs. 1805.22 crore and Rs. 1802.90 crore which were far less than the requirement. For the 3rd year i.e. 1999-2000 funds allocated are Rs. 2000 crores (Gross), which is less than the requirements. This allotment has further been revised to Rs. 1917 crore (Gross) at the Revised Estimate stage. For the year 2000-2001, Rs. 2600 crore (Gross) has been provided for track renewal. In their written reply, the Ministry of Railways has submitted: "With the consistently less allotment of funds for track renewals, it will not be possible to wipe out the track renewal arrears in the Ninth Five Year Plan." 184. The total backlog of track renewal of Indian Railways as on 1.4.99 was 12260 kms. on Broad Gauge and 4995 kms. on Metre Gauge and Narrow Gauge routes. The funds are required not only to liquidate these arrears but also to cater for the annual arising. The Ministry of Railways have sought the allocation of Rs. 5000 crore (gross) per year as indicated below for the next five years for track renewal.

Primary renewals Rs. 3575 crore  
Secondary renewals Rs. 325 crore  
Points and Crossing renewals Rs. 450 crore  
Others (Fitting renewals, Bridge,  
Sleepers renewals, weld renewal Rs. 650 crore  
etc.)

185. The railway tracks after laying and commissioning for traffic is subjected to wear and tear due to movement of loaded vehicles. The loaded vehicles, which cause repeated stresses in the track, lead to fatigue and wear and tear of various components of track. The track renewal is carried out to replace such worn out components. The criteria for determining the priority of track renewal projects is as follows: (i) Safety consideration.

(ii) Speed restrictions.

(iii) Importance of the routes. 186. Earlier the Railways had been importing the rails only as per their demand. Now Bhilai Steel Plant is the only indigenous supplier of rails to the Indian Railways.

187. As stated by the Ministry of Railways the main problem in regard to quality of rails being procured from Bhilai Steel Plant is non-availability of the infrastructural facilities required for producing quality rails. These facilities have been provided progressively by the Plan in the last two years. The Railways have started procuring the rails of specified hydrogen content from 31st December, 1998. Bhilai Steel Plant have stated to commission the On-line Ultrasonic Flaw Detection Machine and Eddy current testing machine in 1999. However, end-straightness continues to be of category B instead of desired category A and Bhilai Steel Plant is being pursued for

providing the additional facilities necessary.

188. Responding to the concern expressed by the Members during the course of evidence over derailment of trains due to poor quality of rails purchased from Bhilai Steel Plant, Chairman Railway Board, submitted as under: "Rails purchased from Bhilai Steel Plant since 1986 to 1997 were not up to our quality requirement... There were three deficiencies in them. Firstly they contained very high hydrogen content. Secondly they were not checked ultra-sonically and thirdly surface of the rails was not used to be checked... When we stopped purchasing these rails, they (Bhilai Steel Plant) started manufacturing correct rails ... Therefore, we have been checking these rails after 2-4 months regularly." **Level Crossings**

189. A budgetary provision of Rs. 50 crore under Plan Head Road Safety Works-Level Crossings has been made in B.E. 2000-01 for level crossing works consisting of manning of unmanned level crossings, interlocking of busy level crossings including lifting barrier, provision of telephone at manned level crossings etc.

190. The criteria for manning of level crossings is decided on the basis of traffic density at such level crossings, visibility to the road users and whether motor buses ply or not. The level crossings have been classified in the following six categories: Category I Where the Train Vehicle Units (TVUs) exceed 10,000

Category II Where TVUs exceed, 6000 and where visibility is restricted

Category III Where TVUs is less than 6000 and visibility is restricted but buses, motor vehicles ply regularly.

Category IV Where TVUs is less than 6000 and visibility is restricted but motor vehicles do not ply

Category V Where visibility is adequate but traffic density exceeds 6000 TVUs per year.

In view of on-going rail accidents at the level crossings, Ministry of Railways have decided to man 4449 unmanned level crossings falling in category I to V on BG system of the Railways as per the following priority and programme depending upon availability of funds:

Sl. No.	Year	No. of Level Crossings proposed for Manning	Route	Category
1.	1999-2000	391	A, B and C	I-IV
2.	2000-2001	1000	D-Spl., D, E-Spl.	I-IV
3.	2001-2002	950	D and E	I-IV
4.	2002-2003	967	E	I-IV
5.	2003-2004	1141	A,B,C,D-Spl, D,E-Spl. and E	V
	Total	4419		

192. The priority has been fixed by the Ministry of Railways keeping in view all aspects like the traffic density at the level crossings, visibility to the road users and whether motor buses ply or not.

The Ministry of Railways have a plan decided to man 4449 unmanned level crossings falling in Category-I-V on B.G. system in the next 5 years i.e. 2003-2004 depending upon the availability of funds.

193. The works of Road over/under bridges in lieu of level crossings qualifying on cost sharing basis are included in the Railway Budget as per the proposals sponsored by the State Governments assigning due priority, depending upon the availability of funds. For level crossings to qualify on cost sharing basis, the Traffic density at the level crossings should be 1 lakhs or more Train Vehicle Units (TVUs) (TVUs figure obtained by multiplying the number of trains passing through the level crossing with number of the road vehicles crossing the level crossing in 24 hours taken as average over a period of 7 days) This criteria of Traffic density can be relaxed in the case of busy yards where there is heavy detention of traffic.

194. Level crossing works is executed by the Railways. In case of road over/under bridges, the works is executed jointly by the State Governments and the Railways. As per the extant rules, the bridges portion across the railway track is executed by the Railways and the approaches are executed by the respective State Governments. The State Governments have to play an active role for acquisition of the land in advance wherever involved and also to arrange their share of the fund for early completion of these works.

195. Two new plan heads have been created for funding of conversion of Unmanned level crossings to manned crossings and construction of Road Over/Under Bridges. The heads are to be financed mainly through contribution received from General Revenues for Railway safety works.

196. For manning of the unmanned level crossings through Member of Parliament Local Area Development Scheme (MPLADS), following guidelines have been laid down:

(1) The manning of unmanned level crossings has been included in the list of works covered under Member of Parliament Local Area Development Scheme (MPLADS). The funds for capital cost of construction varying from 8-10 lakhs covering the cost of road, provision of lifting barrier, arrangement of water and electricity, quarters for the gatemen, duty hut etc. will be provided by Member of Parliament from MPLADS Fund and recurring maintenance and operation cost varying 2-2.5 lakhs will be borne by the Railways.

(2) Unmanned Level Crossings equal to number of Level Crossings manned through Member of Parliament Local Area Development Scheme, will be converted into manned Level Crossing at Railways cost as selected in consultation with Member of Parliament concerned.

(3) Preferably, selected unmanned Level Crossings, should fall in the category I-V with priority given to Level Crossings falling in category I followed by category II, III, IV, V. For Level Crossings falling in the same category on different routes, priority shall be given to A route followed by B, C, D-Spl, D and E routes.

(4) Divisional Railway Managers will liaison with the District Authorities and the Honble Member of Parliaments in selecting the Level Crossings for manning. On identification of the Level Crossings, Member of Parliament will send his recommendations to the District Magistrate/Dy.

Commissioner for releasing the funds. Railway will provide an estimate for the work and any other details to the District Administration as required. Departmental charges shall not be levied on these works and supervision and establishment charges will be kept to the minimum as provided in the case of similar Railway works. Separate accounts shall be maintained for each work and Utilisation

Certificate will be submitted to the District Administration on completion of the work.

197. The Ministry of Railways are pursuing the matter actively with the Honble Members of Parliament for impressing upon them to sponsor unmanned level crossings in their constituency for manning through MPLADS scheme. Instructions stated to have been issued to the Zonal Railways to meet individual Honble MPs along with the details for the level crossings in their constituencies enabling them to select the level crossing for manning. So far, no proposal has materialised.

### **Road Over/Under Bridges**

198. Railways have sanctioned about 158 works ROB/RUBs up to the year 1999-2000 at the cost of Rs. 628.71 crores. After excluding the expenditure likely to be incurred upto March 2000 Railways still require about Rs. 551 crores to complete these works. In addition to this 105 works have been proposed at the cost of Rs. 507.26 crores for sanction in the year 2000-2001. Thus, Railways requirement of funds for all these sanctioned works is estimated to be Rs. 1058 crores. In the year

2000-01 the Railways have allotted Rs. 250 crore under the Plan head ROB.

The Ministry of Railways in their written note have submitted: "As far as Railways are concerned, there is no constraint of funds and all the sanctioned works can be completed in the next 5-6 years but their completion depends upon arrangement of the funds by the State Government to meet with their share of cost and their active participation for taking advance action for acquisition of the land etc. In view of this, it may not be possible for the Railways to lay down target for these works as it depends upon the active involvement of the State Governments." 199. During the course of evidence, to a query from the Committee the Member Engineering, elaborated the criteria of selection for constructing Road Over/Under Bridges as under: "Sir, as regards road overbridge, if the requirement is there, the State Government should send a proposal for the road overbridge. As the honble Member is telling, it is a busy level crossing, we could prepare the overbridge if the State Government sends a proposal. The State Government should be ready to share the cost of the road overbridge with the Railways and if the traffic is more than a certain level, as the honble Member is telling, we have no objection. But in any case the proposal has to come from the State Government and they have to give certain assurances... It is approximately 50 per cent Railways and 50 per cent State Government. There are certain rules. There is no problem. We will sort out those problems. The proposal for construction of the road overbridge must come from the State Government." 200. Electrification projects are reconsidered primarily on economical

considerations excepting very few projects justified as operational necessity. The guidelines being followed in the regard areas under: (i) Each Electrification project will be justified on Rate of Return, which should exceed 14% with the DCF method.

(ii) In certain specific cases, electrification will be justified on considerations of operational flexibility.

(iii) Electrification of a single line section (main line) will normally not be considered.

(iv) While proposing electrification of a route, the rail network in the region in totality should be considered to include, if necessary, short route lengths, which would otherwise remain non-electrified and reduce operational flexibility. **Electrification**

201. Against a budgetary allocation of Rs. 350 crore for electrification of railway track during the year 1999-2000, there revised estimates were assessed at Rs. 315 crore at the fag end of the year. In

the current years Budget (2000-2001) the Ministry of Railways have earmarked Rs. 325 crore for carrying out electrification works.

202. When asked about the reasons for reducing budgetary allocation of Rs. 350 crore to 315 crore, the Ministry of Railways in written note stated: "The budgetary allocation was reduced by 10% in all Plan Heads to meet additional liabilities arising due to increased pension payments, hike in diesel prices etc."

203. As regards problems in the area of electrification projects, the Ministry of Railways further submitted the following written note: "The throw-forward of electrification works as on 1.4.2000 is

Rs. 1452.79 crores excluding Khurja-Meerut-Saharanpur work which has been pending and including the works whose clearance is under process." 204. The major problems in the area of electrification projects are unreasonably high electricity tariffs charged by the State Electricity Boards to meet their cross subsidy requirements and constraint of adequate funds. The following steps are being taken by the Ministry of Railways. (i) Matter has been taken up by Honble Minister of Railways with the Minister of Power and concerned Chief Ministers of various States.

(ii) Taking up the matter with State Electricity Regulatory Commissions.

(iii) Obtaining of direct power supply from NTPC as per Cabinet's decision in 1990. Allocation of funds is, however, dependent on availability of overall resources. The Ministry of Railways have pleaded for yearly allocation of more than Rs. 400 crores for Electrification Plan head for speedy completion of projects without cost and time overruns.

205. The Member (Electrical) elaborating the policy of electrification submitted before the Committee as under: "Electrification is taken up on the basis of case to case study, purely on the techno-economic basis. In case we make an investment into this system and if we get a return of 14 per cent or more, then we make investment in it. In some cases, for operational consideration we also electrify. Those cases are very small. When calculating the return for electrification, the direct costs are taken into account. But there are certain other hidden advantages with electrification which we are not taking into account for the time being." 206. Regarding the electricity charges being paid to the various State Electricity Boards the Member (Mechanical), further stated as under: "They (State Electricity Boards) are charging almost four to five times more the cost at which they are buying electricity from the profit-making National Thermal Power Corporation. So, I suggest that the honble Members should use their influence also in this regard to get a better deal to the Railways." **Priority**

207. The priority as approved by the Cabinet Committee on Economic Affairs on 9.11.1998 is being maintained. Priorities of all ongoing projects which were on the shelf at that time have been approved by the Cabinet Committee on Economic Affairs and these are being observed. However, there was persistent demand for completion of projects which have been lingering for years and the present Government has decided to accord priority to the completion of project which have been lingering for more than 10 years.

208. The Ministry of Railways in their written note have stated as under: "Priorities of new projects have to be fixed each year and also the priorities of projects getting completed or nearing completion would also need revision. This exercise would be taken up at the time of formulation of the 10th plan." **Recommendations/Observations**

## **Railways Development as Infrastructure**

209. The Railways being a more energy efficient mode of transport, is ideally suited for movement of bulk commodities and for long distance travel. As compared to the road transport, the Railways have a number of intrinsic advantages. The Railways are five to six times more energy efficient, four times more efficient in land use and significantly superior from the standpoints of environmental impact and safety. The Committee are of the firm view that the Indian Railways rightly occupy pride of place in the growth and development of the nation and therefore, deserve to be treated as infrastructural development necessity of the day.

## **Comprehensive Planning**

210. The future operations of the Railways must be viewed in the overall context of growth in transport demand and gearing up of the various modes of transport to meet the same. An integrated and comprehensive planning is essential to improve the system with considerations of cost effectiveness, efficiency and creation of capacity ahead of demand. The Committee therefore desire that the financial needs and budgetary allocations for the Railways would have to correspond to the emergent fair share for their full capacity utilisation and a financial structure which **is not only sustainable but is oriented towards future growth of the economy.**

## **Scrutiny of Funds**

211. From the scrutiny of the Budget allocations, the Committee find that a sum of Rs. 1155 crore were appropriated to the Depreciation Reserve Fund in 1998-99 against an appropriation of Rs. 1550 crore in 1999-2000. The appropriation to this fund for the year 2000-01 has been estimated to be Rs. 2441 crore. The Committee would like to know the basis for appropriating/withdrawal to various funds maintained by the Railways.

212. The Committee are constrained to note that the correct financial position of the Railways has not been reflected in the Budget for the year 2000-01. In this connection the Committee find that the Ministry of Railways have shown excess over expenditure of Rs. 1176.31 crore without meeting the liability of payment of dividend to general revenue in full. Where as the net revenue of the Railways has been assessed at Rs. 1791.69 crore, the dividend payment liability to the general revenue is Rs. 2115.38 crore. Had the Ministry of Railways been asked to the payment of dividend in full, there would have been a shortfall of Rs. 323.69 crore to the Railways during 2000-01. The Committee desire that the Ministry of Railways should have reflected the correct picture in the Budget that they would be suffering a loss of Rs. 323.69 crore in the year 2000-01 and it is only after deferring the dividend of Rs. 1500 crore, that they have shown a surplus of Rs. 1176.31 crore. The Committee owe an explanation from the Ministry of Railways in this regard.

## **Procedural Changes**

213. In order to have comparable study of BE, RE and Actuals of the current financial year the Committee desire that the actuals of their revenue receipts, expenditure and achievements against targets up to 31st December should invariably be given in the Performance Budget Document of the Railways.

## **Freight & Passenger Fare Structure**

214. The Committee are of the opinion that 5% increase in freight rates may have a cascading effect on prices and nullify any effort to expand freight carried by the Railways which is essential to

augment Railways earnings. The increase in freight in building materials jeopardize the development process. The freight target for 2000-01 has been set at 475 million tonnes against 450 million tonnes for 1999-2000. This seems to be a rather optimistic move. There was a shortfall in achievement of the target by 26 million tonnes in 1998-99. Even the decision to retain the freight traffic target for 1999-2000 at the same level was also based on hopes of economic recovery boosting freight traffic. The Committee are apprehensive how the increased target of 475 MT for the next year would be achieved, particularly when the budget provides for an average five per cent hike in freight charges which is likely to discourage transport of goods by rail. The sizable list of exemptions is also likely to further reduce income. The Committee want to caution the Railways against the cost-push inflation resulting from across the board hike in freight charges and are of the view that utmost care has to be taken to see that increased freight charges does not result in cost-push inflation particularly when Railways share in freight traffic has gone down from 89% in 1950-51 to 40% now. The Railways must realize the importance of their cheap freight transport system for the nation's industrial and economic system. The trend all over the world is towards lowering transport cost. In fact it is disheartening to note that instead of offering incentives to rail users to move their traffic by rail and of removing irritants, the Railways have chosen to increase the freight rate which will act as a strong disincentive. Though a comprehensive freight policy for attracting non bulk value high traffic has been announced, the Railways have to operate their system in market-driven economy in a commercially viable manner and to take steps to include incentives like volume discount scheme, extending the new concept of Role-on and Role-offix schedule freight trains and computerised terminal operations. Besides, the Railways should go in for aggressive marketing strategy including advertising with a view to garnering more revenue.

215. The Committee note that the tariff policy of the Indian Railways has traditionally been keeping restraints with regard to increase in passenger fares and over the years the Railways have by and large conformed to the principle of cross subsidization in order to offset the losses incurred in passenger and other coaching services through additional revenue from freight movement. The result is that the financial impact of social services obligations from passenger traffic has jumped from Rs. 1800 crore in early nineties to nearly Rs. 4500 crore. Both passenger fares and freight rates have to be demand and market driven and fixed differently for different segments. Pricing should be such as to yield a net return that corresponds to the scarcity value of the capital in the economy. The Committee are of the opinion that the Railways tariff policy should be directed *inter-alia* to achieve the following objectives: (i) that the Railways are financially viable and for that purpose the tariffs are periodically adjusted to cover increase in the cost of inputs. (ii) that the individual services are so priced so as to conform to the principle of what the traffic can bear. (iii) that the cross-subsidization is resorted to for the balanced growth in the socio-economic environment, but at the same time services are not priced at a level lower than cost. (iv) that the railway tariffs take due notice of the relative advantage of different modes of transport for different distances/volumes and be tailored to suit optimum coordination between different modes of transport.

**Customer Oriented Approach**

216. The Committee note that the main emphasis of the Railways so far has been in meeting the demands of the customers in quantitative terms achieving physical targets rather than on quality of service and customer satisfaction. This situation has fast changed. The Committee, therefore, desire that in order to retain and enlarge their share of business and to reduce cost of operations/maintenance to avoid the eventualities of out-pricing itself in the expanding market, the Railways should adopt institutionalized arrangements for assessing the needs and aspirations of various segments of rail users for effecting changes to suit better customer satisfaction.

### **Operating Ratio**

217. The projected appropriation to the Depreciation Reserve Fund (DRF) which is supposed to be used for maintenance of assets, is only Rs. 2,441 crore. The percentage of net revenue ratio to the Capital-at-Charge has been shrinking in recent years. In fact, the Railways have already eaten into the DRF to such an extent that the opening balance at the beginning of the new financial year will be only Rs. 76.72 crore compared with an opening balance of Rs. 1434.27 crore at the beginning of 1998-99. The operating ratio of the railways is projected to reach an all-time high of 98.8 percent in 2000-01 which was 83 per cent in 1993-94. Actually, the ratio would have crossed 105 per cent but for the financial jugglery resorted to by the Railways by deferring the Dividend Liability of Rs. 1500 crore which clearly shows that the Railways are in the dock. The Committee are of the considered view that in order to reduce their operating costs, the Railways must have to adopt an appropriate strategy to secure efficiency in production and maintenance units. They have to improve purchasing procedures not only to secure costs reduction but also to improve reliability. To meet the economy transport requirements and avoid erosion of their profitability, the Railways have to organize their growth strategy by (i) increasing the marketing capability to attract the freight and passenger business to the Railways through constructive pricing mechanism and traffic rationalism (ii) practicing austerity especially in the areas of energy consumption, materials management, overtime, travelling allowances, advertisements, etc. (iii) bringing about a cultural change in the organization from being production oriented to consumer friendly and above all (iv) evolving a financing strategy for optimal allocation of scarce resources to actualize the higher growth rate, in the tune with and perhaps ahead of the GDP growth rate. Simultaneously, a major determined cost-cutting exercise will have to be undertaken covering not only the wage bill but also in all other aspects.

### **Railways Share in Transport**

218. The Committee find that despite the fact that the Railways are more energy efficient as compared to Road; more economical in land use; more cost effective *vis-a-vis* road in construction cost for comparable levels of traffic and significantly lower social costs in terms of environmental damages and safety, there is a progressive shift in the market share of both passenger and freight traffic from rail to road from a level of 89% in 1950-51 to 40% and in case of freight traffic from 80% to 20% in respect of passenger traffic perhaps due to inadequate investments in the field of Railway infrastructure. The Committee stress that there is an urgent need not only to increase Railways share of freight and passenger traffic but also to ensure the growth of Railway infrastructure with the projected growth of national economy in terms of Gross Domestic Product (GDP) by putting up inputs in building up adequate capacity of Railway transport and balancing the need of being both a commercial enterprise and public utility; pulling up

the arrears in the renewal of assets and sharing greater level of safety and human resource development. In spite of some improved performance of Railways in recent years, ensuring adequate return on capital remains a matter of serious concern. The financial viability on fresh investment at present is appraised at 14% of the return on capital. The Committee opine that keeping in view the increasing trend in operation cost and railways borrowings through IRFC, there is an urgent need to increase the cut-off Rate of Return (RoR) in the Railway Projects.

### **Market Borrowings**

219. The stepped up plan outlay of Rs. 11,000 crore is composed of Rs. 3,668 crore through market borrowings, Rs. 3,540 crore as budgetary support leaving Rs. 3,792 crore to be mobilised through internal resources. The internal resource generation by the Railways has shown a stagnating trend since 1993-94 whereas the market borrowings have shown an increasing trend, which is certainly not a healthy trend for them. The Committee note with concern that the increasing dependence on the market borrowings would certainly put heavy financial burden on the Railways by way of substantial lease charges (Rs. 2350 crore to be paid in the current year) since they have to cover both interest and repayment obligations. The Committee want to caution the Ministry that such a high level of market borrowing is not sustainable and the Railways would be under virtual debt trap and if they have to maintain their financial viability, the market borrowings have to be kept under very close scrutiny. Simultaneously, efforts will also have to be made to find cheaper resources by way of increased internal generation of funds and better control over operating costs to achieve their main objective of securing growth of vast rail network and meeting the aspirations of and priority obligations to the people in the remote/under developed regions of this country. The Committee also desire the Railways to find out cheaper resources for the funding of their projects. IRFC should also explore possibilities for resource mobilisation in international market.

### **Uneconomic Branch Lines**

220. The Committee note that during 1998-99 the Railways have incurred a loss of about Rs. 328 crore excluding dividend on account of operation of 114 Uneconomic Branch Lines. Though a number of high level Committees have recommended for closure of such uneconomic lines, the Railways have failed to do so in spite of offering suitable financial packages due to non-cooperation of the concerned States Governments. However, it was brought to the notice of the Committee that these lines being MG/NG take much more time in travelling from one place to another in comparison with the road traffic. One of the Uneconomic Branch Lines became viable due to its conversion into broad gauge line. The Committee, therefore, strongly recommend that the Railways should (a) go in for gauge conversion of these lines so that the market centres could be developed or in the alternatives use these lines for movement of goods traffic and (b) give some of these lines on lease, where possible, to private operators. The losses on the operation of these lines should be treated as public service obligation and compensated by the Central Government.

### **Better Land Management**

221. The Committee note that the Railways organizational set up towards land management is absolutely weak. They are facing serious problems in management, development and custody of their lands specially which are in the hearts of the cities and are most valuable and vulnerable to encroachments. The Committee are of the firm view that the land being an important non-

traditional resource, a proper and scientific management of this asset is the imperative need and therefore in order to put this highly important and complex area of activities on proper footing, it would be essential for the Railways to set up a separate competent Land Management Authority dealing with Railway land management effectively and efficiently inter-alia to achieve (i) completion of land records (ii) protection of the land not under encroachment (iii) removal of existing encroachments or negotiate with existing encroachers by involving civic authorities offering that land on lease at market rates and (iv) commercial utilization of their vacant land keeping in mind the requirements of the railway network expansion. The Committee also desire that the Divisional Railway Managers be made responsible for any encroachments on the land under their jurisdiction.

### **Revenue leakages/Disposal of Scrap**

222. The Committee are concerned to note that a sizable chunk of Railway revenue is being lost due to ticketless travel, fake ticketing, non-weightment of coal resulting in overloading of wagons, wrong declaration of commodities, incorrect application of prescribed rates, miscalculation and wrong classifications of freight items, pilferages, damages, delays in transit of freight commodities and above all the rampant corruption in day-to-day administration especially in tender system, recruitment, disposal of scrap, etc. The Committee feel that the Railways not only lose their revenue due to corruption but also suffer goodwill of their customers. About the large scale of bungling in disposal of scrap, Member (Mechanical), Railway Board bluntly admitted during evidence *"I cannot vouch that there is no misuse of the scrap in such a huge organization. But if anyone says that in such a big organization everything is totally going on correctly, would not really be the truth. That is why I had mentioned that we are aware that there are mafias. Therefore, what we are doing is we are shifting of selling of scrap from one place to other. Probably, we have not been able to get over the mafia problem."*

The Committee were stunned to find that even the new items purchased by the Railways were being sold as scrap. Accepting the above charge, the Member (Mechanical) stated *"We are also aware of the shortcomings. There are always some bad heads in all organizations and we also would be having such people. But there are certain limitations. We will be very grateful if further suggestions are given to improve the situation. But I would like to ensure once again that on paper there is a set procedure. In such a huge organization, there would be some by-passing of that procedure. Some non-moving items may have gone to scrap yard. We will try and see that further vigilance is exercised and I will get some vigilance checks done in this regard."*

The Committee cannot but conclude that the Railways have totally failed to overcome the widespread corruption. They gather the impression that no action is being taken against the big players including higher officers responsible for this state of affairs. The Committee stress that there is an urgent need to re-look into the whole process of tendering system; scrap disposal and the functioning of the Railway Recruitment Boards and make them fully transparent. The Committee also recommend that the examinations/interviews should be held within the States concerned and vacancies should be filled up State-wise. Another area of concern to the Committee is the Goods Booking Centres where rampant corruption is prevalent. The Committee, therefore, strongly recommend that Commodity Certification Cells having a senior vigilance officer in each Cell be created at all these Centres.

## **Imports**

223. The Committee are surprised to find that instead of reduction, there is substantial increase from Rs. 291.23 crore in 1995-96 to Rs. 552.55 crore in imports by the Railways. The Committee take a very serious view of this high import bill which will be a drain on national exchequer. Moreover, there is ample scope for indigenous manufacturing of the items which are currently being imported. Therefore, the Committee are of the view that the imports should be resorted to only in exceptional circumstances with the approval of the highest authority. They also desire that the Railways should examine the possibility of manufacturing these items indigenously side-by-side involving the Public Sector Undertakings where the Railways are not able to manufacture these items and also explore the possibilities of private participation in this area. In this context the Committee also urge upon the Railways to ensure that the items manufactured by the Public Sector Undertakings/Private Parties should conform to the quality and specifications prescribed by the Railways.

## **Passenger Amenities and Catering**

224. In the era of consumer awareness, the image of the Railways is heavily dependent upon their quality of passenger amenities being provided to their customers. Therefore, it becomes quite imperative for the Indian Railways to serve their customers qualitatively and efficiently at every corner of their service end. The Committee note that though the budgetary provision of Rs. 130 crore made during the last year was revised to Rs. 132 crore, the overall situation has remained abysmally poor and require immediate attention to improve the same. During the current year, the Railways have earmarked Rs. 200 crore to provide passenger amenities. However, the Committee are not satisfied with the present state of passenger amenities being provided to the passengers. Therefore, they are of the view that the Railways must accord top most priority to the areas concerning passenger amenities and a professional approach be adopted to provide better services to their customers/passengers.

225. The Committee find that there are two types of traffic- freight and passenger with the Railways and to increase and improve the passenger traffic the catering services on Railways play an important role. The Committee express their serious concern that the catering services in the trains as well as at the stations are of the poorest quality. Food, drinking water, etc. served in the trains and at the stations are hardly found hygienic. No regular checks are conducted. Even no accountability is fixed on the supervisory staff involved in mal-practices. Though the Indian Railway Catering and Tourism Corporation has been formed with a view to providing improved catering services to the passengers and value added services for both domestic and foreign tourists, there is an urgent need to make the Corporation functional at the earliest.

## **Cleanliness**

226. There are number of complaints regarding lack of cleanliness at railway stations and in waiting rooms/running trains. The Committee find that in spite of repeated recommendations made by the previous Standing Committees on Railways, no improvements are visible in this area. The Committee, therefore, strongly recommend that the necessary steps should be taken at the highest level to ensure the required cleanliness at stations and in waiting rooms/running trains. In this context, the Committee would like to suggest that accountability be fixed at every level stations-wise/trains-wise and simultaneously, public awareness should be promoted by organising

special cleanliness drive at regular intervals.

### **Annual Plan 2000-01 Allocation**

227. The Annual Plans 1998-99 and 1999-2000 met with a substantial cut in plan expenditure due to less availability of internal resources. The Annual Plan 1998-99 was kept initially at Rs. 9500 crore, which was revised at the fag end of the year to Rs. 8857 crore leaving a substantial gap of Rs. 643 crore. Similarly the Annual Plan 1999-2000 which was budgeted at Rs. 9700 crore finally got reduced to Rs. 8965 crore at the revised stage of the Budget. Consequent upon the reduction of these two Plans size, the performance of the Indian Railways as a whole suffered a very serious setback. The Railways entirely attributed the reasons of scaling down of the plan expenditure to the unexpected low generation of revenues due to the recessionary trend of the economy particularly in 1998-99 and the steep hike in unforeseen expenditure like salary, pension, diesel etc. in the year 1999-2000. The Annual Plan 2000-01 has been fixed at Rs. 11000 crore consisting of Rs. 3540 crore as Budgetary Support, Rs. 3792 crore as Internal Generation from both normal and non-traditional sources of revenue and Rs. 3668 crore from Market Borrowings.

The Ministry of Railways have informed the Committee during the evidence that during 2000-01, Rs. 500 crore would be recovered from Badarpur Thermal Power Station as it owes about Rs. 1400 crore to the Railways, Rs. 500 crore are expected to be generated through leasing of right of way for Optical Fibre and Communication and Rs. 750 crore from commercial exploitation of land and air space and commercial publicity. The Committee are very much apprehensive about the fragile nature of the resources to be generated internally especially from the non-traditional sources. They fear, in case, the internal generation of resources do not materialise to the extent desired by the Ministry of Railways, a severe fiscal deficit awaits the Indian Railways forcing it to again reduce their plan expenditure and consequently bear the brunt of unscientific planning and fiscal mismanagement. Therefore, the Committee urge upon the Ministry of Railways to put in their concerted efforts with pure professional approach in generating internal resources with special emphasis on non-traditional revenues so that funding for plan expenditure especially from internal source may not suffer.

### **New Lines**

228. The Committee have noticed a substantial hike of about 60% in the allocations made for the construction of new lines during the year 2000-01 over the allocations made in the preceding year at the revised stage. Last year a budgetary provision of Rs. 600 crore under the Plan Head New Lines was earmarked, which was revised to Rs. 514 crore at the fag end of the year 1999-2000. Against this revised estimate of Rs. 514 crore, the Railways have earmarked Rs. 825 crore under the same Plan Head during the current year *i.e.* 2000-01. The Committee have been informed by the Ministry of Railways that a huge throw forward of all ongoing new line projects prior to the introduction of new lines projects in the current Budget 2000-01 has been estimated of the order of Rs. 19097 crore and the proposed outlay for newly sanctioned 7 new line projects works out to Rs. 2110 crore. Hence the total throw forward of all new line projects as on 1.4.2000 works out to be Rs. 21207 crore, which can only be wiped out in more than 40 years with the present level of investment. The Ministry of Railways also informed that since independence only 17% increase has been achieved in the total route kilometer of the Indian Railways and the root cause for it has been inclusion of financially non-viable projects unabatedly year after year due to

social pressures.

The Committee have, therefore, noted with concern the gravity of the financial investment requirements to be made under the Plan head New Lines, and discard the irrational fiscal and professional management on the part of the Railways. They do not find any rationale for including projects in the Budget every year especially when these are financially non-viable and adequate funds are not made available to complete the already ongoing new line projects. Moreover, the Committee do not agree with the approach of the Cabinet Committee on Economic Affairs for approving the projects not recommended by the Expanded Board and Planning Commission. The Committee think that this kind of approach only adds to huge throw forward and resultantly leads to sparsely spreading of valuable public funds not yielding the desired returns. They, having studied holistically the magnitude of the problem, have reached a conclusion that either a moratorium is required for taking up new projects at least for 10 years excepting some projects which are operationally important or separate funds be provided by the Central Government to finance the non-viable but socially desirable and strategically important projects.

### **Priority Fixation**

229. The Committee have come to know that the priorities of all the ongoing projects approved by the Cabinet Committee on Economic Affairs on 9.11.1998 are being observed by the Railways. However, the present Government have decided to accord priority to those projects which have been lingering on for more than 10 years, which is a welcome step. In this connection the Committee have noticed a very important fact that CCEA approved the priority of projects in terms of category and not in terms of volume of funds required for a particular projects which ultimately led to a blanket liberty to the Railways to allocate funds to the projects as per their wishes. The Committee deprecate such kind of tendency on the part of the Railways and urge upon them to stop charity to ensure healthy rationalisation in the allocation of funds to the various projects in the same category approved by the CCEA. The Committee are of the firm view that public money be utilised in such a democratic manner which can ensure a level playing field to all projects within the same category to achieve optimum objectives of social justice.

The Committee also note that the Indian Railways since their inception and more after independence, continued heavy tilt towards metro-urban, metro-suburban and metro to metro links quadrilaterally and diagonally for the development of railway projects and comparatively less attention was paid towards the rural linkages, may be, because of the apprehension of unremunerative returns. This Committee, however, think that the time has come for the Government to have a relook for shifting their thrust towards the rural areas with a view to ensuring regional balance and active participation on the part of the rural folk in the overall development of the nation.

### **Gauge Conversion**

230. It has been brought to the notice of the Committee that Gauge Conversion projects had been going slow before 1.4.92 when the Ministry of Railways in consultation with the Planning Commission decided to take up project Uniguage for selective conversion of Meter Gauge/Narrow Gauge lines to Broad Gauge lines in the coming years. Since then, the Committee notice that 5282 km of MG/NG lines have been converted to Broad Gauge. The Railways have informed the Committee that their concentration will be on providing missing facilities to those already converted

routes to consolidate and integrate them fully into the system. The Ministry have provided Rs. 600 crore for Gauge Conversion in the current financial year. They further informed that the outlays on Gauge Conversion were being reduced to meet the needs of capacity generation on saturated routes and the works of Gauge Conversion in progress have been prioritised so that the lines required on operational consideration become available first. They also informed the Committee that Rs. 8968 crore are required beyond 2000-01 for completing all gauge conversion projects and Rs. 900 crore will be required each year to complete these projects in a reasonable timeframe of 10 years. The Ministry of Railways further elaborated that the present Government have decided to accord priority to those Gauge Conversion projects which have been lingering on for more than 10 years.

The Committee, after having gone into the micro details of the constraints being faced by the Railways, particularly, in Gauge Conversion Sector, come to conclude that uniform gauge pattern throughout the country to augment the line capacity and to avoid detention of rolling stock and goods is the inevitable demand of the day. They, therefore, are of the firm view that required funds at the level of Rs. 900 crore per year be provided to wipe out the backlog areas of Gauge Conversion and funds for the strategically and socially desirable projects be arranged outside the Railway Budget.

### **Computerisation**

231. Information Technology is considered today as the lifeline of industry because it determines the operational skills as well as economic efficiency and efficacy of an organisation. This strongly desire that the Indian Railways which are basically a service organisation invariably requires to harness the rich potentials of the Information Technology for speedy dissemination of information to the customers in general and generation of effective and efficient management information to control their business and to decide their prospective planning in particular. They consider that computerisation of freight movement including location of wagons, reservation, enquiry system, inventory control, track management and signalling and telecommunication etc. may prove very effective for the Railways better growth and traffic safety. However, they find that the Railways are not quick enough to respond to the emerging needs of Information Technology at the pace presently required. This can be corroborated with the fact that last year Rs. 70 crore were provided under the Plan Head Computerisation but only Rs. 43 crore were estimated at the revised stage to be incurred. Against this revised outlay, the Railways have allocated again Rs. 70 crore during this year i.e. 2000-01 under the same Plan Head to execute the computerisation works. The Committee disapprove the sluggish way the Indian Railways are harnessing the potentials of Information Technology to the fullest extent possible and recommend that optimum funds be made available on urgent basis for computerising their organisation as early as possible.

### **Rolling Stock Management**

232. An effective stock management plays an important role in the overall progress and development of an organisation like the Indian Railways which as such are the biggest service Sector Enterprise in the country. The Committee consider that the Indian Railways which generally invest upto 45% of their total plan expenditure for purchasing/manufacturing rolling stock every year should accord topmost priority for the rolling stock management in such a way where

instant control at the Divisional, Zonal and Central level can be ensured. The Committee urge upon the Ministry of Railways to plan their rolling stock requirements as per the line capacity available avoiding over saturation and stress on the line. They disapprove the tendency of the Railways for introduction of new trains every year disproportionate to the line capacity available.

Two important instances viz. (1) anomaly in tender price of wagons and (2) sanctioning of an advance involving substantial money to a particular Wagon manufacturing unit by Container Corporation of India (CONCOR), a Public Sector Unit under the administrative control of the Railways, came to the notice of the Committee during the evidence of the representatives of the Ministry of Railways. The Committee were informed that while placing order for wagons, the Railways take into account only the base price and not the overall price of the wagon including excise duty, which leaves a high scope for manipulation by the wagon manufacturers by quoting the base price comparatively less and simultaneously getting more, by way of reimbursement of excise duty paid on accessories by the Indian Railways. The Committee strongly deprecate such kind of ambiguity in the tender system for purchasing wagons and thereby impress upon the Ministry of Railways to correct their present policy of tender especially in respect of wagons procurement. They also recommend that a thorough investigation be ordered in the case where a substantial advance was extended by CONCOR to Hindustan Development Corporation, a wagon manufacturing unit and the findings be placed before this Committee within three months. The Committee note that the higher officials in the Ministry of Railways (Railway Board) are not serious enough to the recommendations made by the Parliamentary Committees. The Committee were shocked to know during evidence that the Member (Mechanical) while replying to a specific query relating to the recommendations made by the Railway Wagon Committee constituted by the then Chairman, Rajya Sabha on 9th August, 1995 on tendering system and procurement of wagons, informed the Committee that "...about the detailed recommendations, I am not aware". But when the proceedings were sent to the Ministry of Railways for carrying out grammatical errors or such other patent errors as wrong figure etc., the Member (Mechanical) incorporated the changes in the submission he had made before the Committee. The Committee seriously castigate such casual approach of the Railway Board toward the recommendations of the Committee. The Committee further consider that the time has come for the Indian Railways to explore more and more the export potentials in respect of wagon and coaches. The Indian Railways must come forward with a concrete action plan and strategy to materialise the same. The Committee also suggest that the Railways must go in for total computerisation of stores in a big way and interlink these stores in such a fashion that the availability of store items may be ensured instantly at the Divisional, Zonal and Central level with crystal clear transparency.

### **Safety**

233. The biggest challenge before the Indian Railways today as perceived by this Committee is to ensure foolproof safety of passenger as well as freight traffic. The Committee are of the firm view that the Indian Railways will have to depend heavily on safety aspect to run their business efficiently and profitably and if any compromise is made on this core sector, the entire edifice of their business will crumble down in such a way that it will take decades to recover their health. They have been informed that the Khanna Committee which went into the inquiry of Kauri Rail accident near Khanna came out strongly for rehabilitation of overaged assets and for providing adequate

technology back-up to the operational staff and recommended Rs. 15000 crore for the same. This would mean that on an average Rs. 3000 crore are to be provided every year upto 5-7 years for wiping out the arrears of renewals of overaged assets. During the present year, Rs. 2800 crore have been provided to execute the safety related works like signalling & Telecommunication, Track Renewal, Bridge Works, Level Crossings and Road Over/Under Bridges. The Committee also desires that first charge on the limited internal resources generated should be towards meeting the depreciation needs so that the reliability of equipment gets the priority it deserves and continues towards the enhancement of the safety needs of the Indian Railways, besides contributing towards improvement in the quality of services.

The Committee have been informed that the Honble Members of Parliament are being impressed upon to sponsor unmanned level crossings in their constituency for manning through the Member of Parliament Local Area Development Scheme (MPLADs). The Committee having a very pragmatic view of the safety spectrum of the Indian Railways observe that adequate funds have been earmarked for safety related works during this year. However, given the fragile source of funding i.e. Internal and Extra Budgetary Resources, a suspicion is lingering in their mind as the excess/surplus revenues generated internally during the last two years came down heavily and consequently expenditure was reduced on safety related works. In this connection, the Committee would like to recommend as under: (a) Top most priority as envisaged in the Budget 2000-01 must be accorded to Signalling & Telecommunication to ensure foolproof safety devices of signalling and telecommunication and a system like Rail Traffic Control, if possible, on the line of Air Traffic Control System presently being used by air traffic, be ensured.

(b) The pace of track renewal must be accelerated with utmost attention to complete the backlog of those tracks which have lived beyond their lives and are operationally important.

(c) State Governments must be pursued vigorously to arrange their share for executing the Road Over/Under Bridges works.

(d) An independent inquiry be ordered in the matter regarding continued purchasing of defective rails containing higher percentage of hydrogen contents etc. during the years

1986-97 and responsibility be fixed for purchasing the defective rails from Bhilai Steel Plant resulting in various accidents, derailments etc.

### **Railway Projects in North-East and J&K Regions**

234. Even after 52 years of our independence the most backward areas like North Eastern States and Jammu & Kashmir which are strategically located could not have been brought into the mainstream of national development only because infrastructural development could not take place there at the desired pace. In the mid nineties, a policy decision was taken by the Central Government to allocate 10% of the total central Budgetary Support for the developmental activities especially in the North Eastern Region and accordingly, the Indian Railways are also adhering to that principle of allocation of funds towards the railway projects in this Region. However, this Committee consider that the progress of railway projects in this area is not moving at the desired speed. The previous Standing Committee (1998-99) in Para No. 174(a) of their Third Report recommended that a special Working Group consisting of the representatives of the Planning Commission, Ministry of Railways and North Eastern Council be formed to assess the requirement of funds for creating railway infrastructure there. They also recommended to create a Special Cell in the Ministry of Railways to review and monitor the progress of all projects being

implemented in the North Eastern Region and Jammu & Kashmir. This Committee are dismayed over the Action Taken Reply of the Ministry in respect of the aforesaid recommendation where the Ministry of Railways had not come out with any concrete steps to honour the well-thought suggestion/recommendation of the that Committee. The Committee strongly reiterate the views expressed by their predecessors and recommend that all pending and ongoing railway projects in the North Eastern and J & K Regions must be completed within the stipulated time and if additional funds are required, the matter may be brought before the Cabinet Committee on Economic Affairs on urgent basis. The Committee also recommend that previous railway service on Meter Gauge in North-Eastern Region either be continued or sufficient funds be made available for gauge conversion of these MG lines in a time bound manner.

The Committee are aware of the fact that the slow pace of railway development in NE and J&K Regions is attributed mainly to the acute law and order problem due to terrorism. In this context, the Ministry of Railways, in order to accelerate the pace of development of railway projects in these areas, should vigorously co-ordinate with the State Governments concerned and other Central Ministries of Home and Defence for speedy implementation.

### **Electrification**

235. The Committee have noted that as a matter of policy, a route is considered eligible for electrification, if the financial return on the capital investment in railway electrification as compared to diesel traction in accordance with specified norms, works out to 14% or more. The main factors in the cost benefit analysis of a route for electrification are the traffic density and the relative cost of operation by diesel and electric traction. Diesel oil price is presently administered very close to the actual cost whereas the tariff for electric traction is around 3 to 4 times the normal cost of generation. Since the rate of financial return is calculated on the actual cost of diesel and electricity, the actual economic rate of return is much higher. The Ministry of Railways informed the Committee that 2479 route kms. are to be electrified with a financial requirement of Rs. 1213 crore as on 1.4.2000 and at the present level of investment i.e. Rs. 325 crore per year, the entire backlog will be cleared in less than four years.

The Committee are satisfied with the overall performance of the electrification works. However, to ensure better efficiency, efficacy and productivity of the electrified routes, they suggest that the Indian Railways be treated at par with normal consumers by various State Electricity Regulatory Commissions in terms of electricity charges. The Committee also recommend that the railway routes, Calcutta to Mumbai and Calcutta to Chennai passing especially through Orissa State be taken up for cost benefit analysis and if, the financial return is 14% or more, the same be considered for carrying out the electrification works.

### **Reservation of Medical Grounds**

236. The Committee have noted that high-tech health care centers/hospitals have rapidly emerged in big/metro cities like Chennai, Bangalore, Mumbai, Delhi, Calcutta etc. and as a result of it, the patients from far flung areas requiring high-tech treatment have to face extreme difficulties in the matters like getting instant reservation and medical facilities in the trains running towards these cities. The Indian Railways, at present, do not provide any reservation facilities to such patients. Therefore, they recommend that instant reservation be provided to such patients along with their two relatives/attendants in the same/other compartment to travel with them.

### **Special Medical Coach**

237. The Committee also note that a number of persons suffering from serious ailments have also to travel by train on the advice of medical specialists. They are concerned to note that since at times passengers died in the running train due to non availability of medical facilities either in the train or at the stations on the way. The Committee having realised the gravity of the situation, strongly recommend that the Indian Railways must come forward to arrange one special coach medically designed having life saving devices and medicines along with a qualified doctor and nursing staff at least in all super fast trains running to these cities.

### **Zero-Based-Budgeting**

238. The Committee note that absence of scientific, corporate and professional planning on the part of the Indian Railways has led to a very volatile fiscal management, which can be corroborated with a bare fact that their operating ratio is alarmingly going up. The operating ratio has been estimated to be 98.8 per cent during the current financial year, which means that the Indian Railways immediately require life-support-system to sustain. This Committee, having deliberated upon this aspect assiduously, have reason to believe that the Indian Railways urgently need to shun their traditional way of planning and management so that a new inspiration may be infused into organisation for better efficiency and productivity by adopting modern techniques of management and planning. Therefore, this Committee strongly recommend that the Indian Railways must adopt the concept of zero-based-budgeting henceforth and ensure necessary compliance by all Zonal Railways.

### **Security**

239. Safety and security of passengers and freight traffic are expected to be the prime responsibility of the Indian Railways. As per the prevailing demarcation of responsibility of law and order, the security of passengers is assigned to the General Railway Police of the State concerned and the security of railway property to the Railway Protection Force of the Indian Railways. But unfortunately, this Committee have come to know that law and order being the State subject, foolproof security of passengers, goods and railway property can never be ensured by the present system of security. Though the General Railway Police force is deputed by the concerned State Governments to safeguard the passengers as well as the goods traffic, this Committee have strong reasons to believe that State Governments depute those police personnel in GRP, who are usually considered condemned and found inefficient other-wise. Whereas, the Indian Railways share 50 per cent of the total expenditure incurred on GRP, they are not even empowered to write their annual confidential reports, what to say about having control on them. Keeping in view the above facts, the Committee are of the considered view that now the time has come for the Indian Railways to ensure hundred percent security not only to the passengers but to the goods and the railway property also. Therefore, they recommend that a separate independent Railway Security Service along with Intelligence Wing and full fledged executive powers to investigate all criminal matters concerning security of passengers, goods and railway properties and to prosecute the guilty, be constituted as early as possible without any further thought and for which a necessary legislation be brought before the Parliament if possible during the current Session itself.

NEW DELHI  
YERRANNAIDU,  
11 April,  
2000  
22 Chaitra, 1922 (Saka)  
Railways.

K.

Chairman,  
Standing Committee on

## **PART II**

Minutes of the sitting of standing committee on railways (1999-2000) held on 22.3.2000

The Committee sat on Wednesday, the 22nd March, 2000 from 1500 hrs. to 1775 hrs. in Committee Room B, Parliament House Annexe, New Delhi.

### **PRESENT**

Shri K. Yerrannaidu *Chairman*

Members

*Lok Sabha*

2. Dr. (Smt.) Anita Arya
3. Shri Avtar Singh Bhadana
4. Shri M. Chinnasamy
5. Shrimati Santosh Choudhary
6. Shri Priya Ranjan Dasmunsi
7. Shri P.D. Elangovan
8. Shri Manikrao Hodlya Gavit
9. Shri Tarun Gogoi
10. Shri Moinul Hassan
11. Dr. Madan Prasad Jaiswal
12. Shrimati Abha Mahato
13. Shri Sadashivrao Mandlik
14. Shri Subodh Mohite
15. Shri Salkhan Murmu
16. Shri Jaibhan Singh Pawaiya
17. Shri Naval Kishore Rai
18. Shri Gunipati Ramaiah
19. Shri Prabhat Kumar Samantray
20. Shrimati Sushila Saroj
21. Dr. Nitish Sengupta
22. Shri Bahadur Singh
23. Shri Brij Bhushan Sharan Singh
24. Capt. (Retd.) Inder Singh

25. Shri Jai Bhadra Singh
26. Shri Rajo Singh
27. Shri Bhupendra Sinh Solanki
28. Shri A.K.S. Vijayan
29. Shri Jagdambi Prasad Yadav

*Rajya Sabha*

30. Shri Radhakishan Malaviya
31. Shri Jhumuk Lal Bhendia
32. Shri Banarsi Das Gupta
33. Shri Rajubhai A. Parmer
34. Shri Gopalsinh G. Solanki
35. Chaudhary Chunni Lal
36. Shrimati Chandra Kala Pandey
37. Shri Maulana Obaidullah Khan Azmi
38. Shri S. Niraikulathan
39. Shri Abani Roy
40. Dr. D. Venkateshwar Rao
41. Shri Ramachandraiah Rumandla

Secretariat

1. Shri M. Rajagopalan Nair *Joint Secretary*
2. Shri R.C. Gupta *Deputy Secretary*
3. Shri S.N. Dargan *Under Secretary*
4. Shri O.P. Shokeen *Committee Officer*

Witnesses 1. Shri V.K. Agarwal Chairman, Railway Board & Ex-Officio Principal Secy. to the Govt. of India.

2. Shri V.K. Agnihotri Member Engineering & Ex-Officio Secy. to the Govt. of India.

3. Shri P.V. Vasudevan Financial Commissioner (Railways) & Ex-Officio Secy. to the Govt. of India.

4. Shri S.K. Khanna Member Electrical & Ex-Officio Secy. to the Govt. of India.

5. Shri Shanti Narain Member Traffic & Ex-Officio Secy. to the Govt. of India.

6. Shri Ashok Kumar Member Mechanical & Ex-Officio Secy. to the Govt. of India.

7. Shri K. Balakesari Member Staff & Ex-Officio Secy. to the Govt. of India. 2. At the outset, the

Chairman welcomed the Members and representatives of the Ministry of Railways to the sitting of the Committee and invited their attention to Direction 58 of the Directions by the Speaker, Lok Sabha. Thereafter, the Committee took oral evidence of the representatives of the Ministry of Railways in connection with the examination of the Demands for Grants, 2000-2001. The points raised by the Chairman and Members were replied to by the Railway Officials. The evidence remained inconclusive.

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

*The Committee then adjourned.*

Minutes of the sitting of standing committee on railways (1999-2000) Held on 28.3.2000

The Committee sat on Tuesday, the 28th March, 2000 from 1100 hrs. to 1445 hrs. in Committee Room 53, Parliament House, New Delhi.

PRESENT Shri K. Yerranna *Chairman* Members

*Lok Sabha* 2. Shri Avtar Singh Bhadana

3. Shri M. Chinnasamy

4. Shrimati Santosh Choudhary

5. Shri Manikrao Hodlya Gavit

6. Shri Moinul Hassan

7. Shrimati Abha Mahato

8. Shri Subodh Mohite

9. Shri Salkhan Murmu

10. Shri Jaibhan Singh Pawaiya

11. Shri Sohan Potai

12. Shri Prabhat Kumar Samantray

13. Shri Bahadur Singh

14. Shri Brij Bhushan Sharan Singh

15. Shri Rajo Singh

16. Shri Bhupendra Sinh Solanki

17. Shri A.K.S. Vijayan

18. Shri Jagdambi Prasad Yadav

*Rajya Sabha*

19. Shri Radhakishan Malaviya

20. Shri Jhumuk Lal Bhendia

21. Shri Banarsi Das Gupta

22. Shri Rajubhai A. Parmar

23. Shri Gopalsinh G. Solanki

24. Shrimati Chandra Kala Pandey

25. Shri Maulana Obaidullah Khan Azmi

26. Shri Anil Sharma

27. Shri Abani Roy

28. Dr. D. Venkateshwar Rao

29. Shri Rumandla Ramachandraiah *Secretariat*

1. Dr. A.K. Pandey *Additional Secretary*

2. Shri M. Rajagopalan Nair *Joint Secretary*

2. Shri R.C. Gupta *Deputy Secretary*

3. Shri S.N. Dargan *Under Secretary*

4. Shri O.P. Shokeen *Committee Officer*

witnesses

1. Shri V.K. Agnihotri *Member Engineering & Ex-Officio Secy. to the Govt. of India.*

2. Shri P.V. Vasudevan Financial Commissioner (Railways)& Ex-Officio Secy. to the Govt. of India.2. At the outset, the Chairman welcomed the Members and the representatives of the Ministry of Railways to this sitting. Thereafter, the Committee took further evidence of the representatives of the Ministry in connection with examination of the Demands for Grants for the year 2000-01.

3. The evidence remained inconclusive.

4. A verbatim record of proceedings has been kept.

*The Committee then adjourned.*

Minutes of the sitting of Standing Committee on Railways (1999-2000) held on 31.3.2000 (1100 hrs.)

The Committee sat on Friday, the 31st March, 2000 from 1100 hrs. to 1315 hrs. in Committee Room B, Parliament House Annexe, New Delhi.

PRESENT

Shri K. Yerranna *Chairman*

Members

*Lok Sabha*

2. Shri M. Chinnasamy
3. Shri P.D. Elangovan
4. Shri Manikrao Hodlya Gavit
5. Shri Tarun Gogoi
6. Shrimati Abha Mahato
7. Shri Subodh Mohite
8. Shri Salkhan Murmu
9. Shri Sohan Potai
10. Shri Naval Kishore Rai
11. Shri Gunipati Ramaiah
12. Shri Prabhat Kumar Samantray
13. Shrimati Sushila Saroj
14. Dr. Nitish Sengupta
15. Shri Bahadur Singh
16. Shri Brij Bhushan Sharan Singh
17. Shri Rajo Singh
18. Shri Jagdambi Prasad Yadav

*Rajya Sabha*

19. Shri Radhakishan Malaviya
20. Shri Banarsi Das Gupta
21. Shri Rajubhai A. Parmar
22. Shri Gopalsinh G. Solanki
23. Chaudhary Chunni Lal
24. Shrimati Chandra Kala Pandey
25. Shri Anil Sharma

26. Shri Abani Roy
27. Dr. D. Venkateshwar Rao
28. Shri Rumandla Ramachandraiah

Secretariat

1. Shri M. Rajagopalan  
Nair *Joint Secretary*
2. Shri R.C. Gupta *Deputy Secretary*
3. Shri S.N. Dargan *Under Secretary*
4. Shri O.P. Shokeen *Committee Officer*

witnesses

1. Shri V.K. Agnihotri Member Engineering & Ex-Officio Secy. to the Govt. of India.
2. Shri P.V. Vasudevan Financial Commissioner (Railways) & Ex-Officio Secy. to the Govt. of India.
2. At the outset, the Chairman welcomed the Members and the representatives of the Ministry of Railways to this sitting. Thereafter, the Committee took further evidence of the representatives of the Ministry in connection with examination of the Demands for Grants for the year 2000-01.
3. The evidence remained inconclusive.
4. A verbatim record of proceedings has been kept.

*The Committee then adjourned.*

Minutes of the sitting of standing committee on railways (1999-2000) held on 31.03.2000 (1500 hrs.)

The Committee sat on Friday, the 31st March, 2000 from 1500 hrs. to 1700 hrs. in Committee Room B, Parliament House Annexe, New Delhi. PRESENT

Shri K. Yerranna *Chairman*

Members

*Lok Sabha*

2. Shri M. Chinnasamy
3. Shri Priya Ranjan Dasgupta
4. Shri P.D. Elangovan
5. Shri Naval Kishore Rai
6. Shri Prabhat Kumar Samantray
7. Dr. Nitish Sengupta
8. Shri Brij Bhushan Sharan Singh

*Rajya Sabha*

9. Shri Gopalsinh G. Solanki
10. Chaudhary Chunni Lal
11. Shrimati Chandra Kala Pandey
12. Shri Rumandla Ramachandraiah

Secretariat

1. Shri M. Rajagopalan  
Nair *Joint Secretary*
2. Shri R.C. Gupta *Deputy Secretary*

3. Shri S.N. Dargan *Under Secretary*
4. Shri O.P. Shokeen *Committee Officer*

witnesses

1. Shri S.K. Khanna Member Electrical & Ex-OfficioSecy. to the Govt. of India.
2. Shri Shanti Narain Member Traffic & Ex-OfficioSecy. to the Govt. of India.
3. Shri Ashok Kumar Member Mechanical & Ex-OfficioSecy. to the Govt. of India.
4. Shri K. Balakesari Member Staff & Ex-OfficioSecy. to the Govt. of India.

2. At the outset, the Chairman welcomed the Members and the representatives of the Ministry of Railways to this sitting. Thereafter, the Committee took further evidence of the representatives of the Ministry in connection with examination of the Demands for Grants for the year 2000-01.

3. The evidence remained inconclusive.
4. A verbatim record of proceedings has been kept.

*The Committee then adjourned.*

Minutes of the sitting of standing committee on railways (1999-2000) held on 4.4.2000

The Committee sat on Tuesday, the 4th April, 2000 from 1100 hrs. to 1330 hrs. in Committee Room B, Parliament House Annexe, New Delhi. PRESENT

Shri K. Yerranna *Chairman*

Members

*Lok Sabha*

2. Shri M. Chinnasamy
3. Shri Priya Ranjan Dasmuni
4. Shri P.D. Elangovan
5. Shri Manikrao Hodlya Gavit
6. Shri Tarun Gogoi
7. Shri Moinul Hassan
8. Dr. Madan Prasad Jaiswal
9. Shri Sadashivrao Mandlik
10. Shri Subodh Mohite
11. Shri Salkhan Murmu
12. Shri Jaibhan Singh Pawaiya
13. Shri Sohan Potai
14. Shri Naval Kishore Rai
15. Shri Gunipati Ramaiah
16. Shri Prabhat Kumar Samantray
17. Dr. Nitish Sengupta
18. Shri Bahadur Singh
19. Shri Brij Bhushan Sharan Singh
20. Capt. (Retd.) Inder Singh
21. Shri Rajo Singh

22. Shri Bhupendra Sinh Solanki
23. Shri A.K.S. Vijayan
24. Shri Jagdambi Prasad Yadav

*Rajya Sabha*

25. Shri Jhumuk Lal Bhendia
26. Shri Banarsi Das Gupta
27. Shri Gopalsinh G. Solanki
28. Chaudhary Chunni Lal
29. Shrimati Chandra Kala Pandey
30. Shri Maulana Obaidullah Khan Azmi
31. Shri Abani Roy
32. Dr. D. Venkateshwar Rao
33. Shri Ramachandraiah Rumandla

Secretariat

1. Dr. A.K. Pandey *Additional Secretary*
2. Shri M. Rajagopalan Nair *Joint Secretary*
2. Shri R.C. Gupta *Deputy Secretary*
3. Shri S.N. Dargan *Under Secretary*
4. Shri O.P. Shokeen *Committee Officer*

witnesses

1. Shri V.K. Agarwal Chairman, Railway Board & Ex-Officio Principal Secy. to the Govt. of India.
2. Shri V.K. Agnihotri Member Engineering & Ex-Officio Secy. to the Govt. of India.
3. Shri P.V. Vasudevan Financial Commissioner (Railways) & Ex-Officio Secy. to the Govt. of India.
4. Shri S.K. Khanna Member Electrical & Ex-Officio Secy. to the Govt. of India.
5. Shri Shanti Narain Member Traffic & Ex-Officio Secy. to the Govt. of India.
6. Shri Ashok Kumar Member Mechanical & Ex-Officio Secy. to the Govt. of India.
7. Shri K. Balakesari Member Staff & Ex-Officio Secy. to the Govt. of India.

2. At the outset, the Chairman welcomed the Members and the representatives of the Ministry of Railways to the sitting. Thereafter, the Committee took further evidence of the representatives of the Ministry in connection with the examination of the Demands for Grants for the year 2000-01. The evidence concluded.

3. A verbatim record of proceedings has been kept.

*The Committee then adjourned.*

Minutes of the sitting of standing committee on railways (1999-2000) held on 7.4.2000

The Committee sat on Friday, the 7th April, 2000 from 1100 hrs. to 1310hrs. in Committee Room B, Parliament House Annexe, New Delhi. Present

Shri K. Yerrannaidu *Chairman*

*Lok Sabha*

Members

2. Dr. (Smt.) Anita Arya
3. Shri M. Chinnasamy
4. Shrimati Santosh Choudhary

5. Shri Priya Ranjan Dasmunsi
6. Shri Manikrao Hodlya Gavit
7. Shri Moinul Hassan
8. Shrimati Abha Mahato
9. Shri Sadshivrao Mandlik
10. Shri Shri Sohan Potai
11. Shri Gunipati Ramaiah
12. Shri Prabhat Kumar Samantray
13. Shrimati Sushila Saroj
14. Dr. Nitish Sengupta
15. Shri Bhadur Singh
16. Shri Brij Bhushan Sharan Singh
17. Capt. (Retd.) Inder Singh
18. Shri Rajo Singh
19. Shri Jagdambi Prasad Yadav

*Rajya Sabha*

20. Shri Banarsi Das Gupta
21. Shri Gopalsinh G. Solanki
22. Chaudhary Chunni Lal
23. Shrimati Chandra Kala Pandey
24. Shri Maulana Obaidullah Khan Azmi
25. Shri Anil Sharma
26. Shri Abani Roy

Secretariat

1. Shri M. Rajagopalan

Nair *Joint Secretary*

2. Shri R.C. Gupta *Deputy Secretary*
3. Shri S.N. Dargan *Under Secretary*
4. Shri O.P. Shokeen *Committee Officer*

At the outset, the Chairman welcomed the Members to the sitting. Thereafter the Committee deliberated on various issues relating to the Demands for Grants (2000-01) of the Ministry of Railways. The Chairman also sought further suggestions from the Members on the subject. Most of the Members gave various suggestions included in the Annexure and authorised the Chairman to see whether these could be incorporated in the report.

*The Committee then adjourned.*

**ANNEXURE**

Statement Showing the Suggestions made by the members of the standing committee on railways during the deliberations on draft first report on demands for grants (2000-01) of the ministry of railways on 07.04.2000

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S.No.	Name of the Member	Suggestions by the Member
1	2	3
1.	Shri Moinul Hassan	<p>(a) Introduction of new Express train from Sealdah to Lalgola in Morning.</p> <p>(b) Railway overbridge on NH 34 at Behrampore town.</p> <p>(c) Railway Bridge over river in Murshidabad to connect two lines.</p> <p>(d) Completion of circular railway with total electrification and doubling of this line.</p> <p>(e) Electrification from Krishnagar city to Lalgola.</p> <p>(f) Renovation and extension of VIP retiring room at Sealdah station.</p> <p>(g) Doubling of Railway Lines from Kalinarayan Pur to Lalgola.</p> <p>(h) New train from Sealdah to Newjalpaiguri - one stop at Khagra-Ghat Road at day time.</p> <p>(i) To upgrade the Khagra-Ghat Road Station.</p> <p>(j) Provision of Computer reservation at Murshidabad station (Lalbag-a historical place).</p>
2.	<b>Shri M. Chinnasamy</b>	<p>(a) To provide compensation for the wells separately to the persons whose agriculture land has been taken for Salem-Karur B.G. new line as each well costs more than a lakh.</p> <p>(b) Introduction of a separate train from Karur to Chennai via Trichirapally.</p>
<b>Abha Mahato</b>	(a) Stoppage of Purshotam Express/Neelanchal Express at Ghatshila station.	<b>Smt.</b>
(b) Change in departure time of Swarna Rekha Express from Dhanabad to 8 o'clock to facilitate Rajdhani Express Passenger to take Swarnarekha for Adra, Tatanagar and Puruliya.	(c) Introduction of additional night train for Tata Nagar-Patna.	(d) Diversion of New Delhi-Howrah-Bhubaneswar train via Bhubaneswar, Khadagpur, Tatanagar, Bokaro Steel city once/twice a week.
<b>4. Capt. (Retd.) Inder Singh</b>	(a) Rewari to Rohtak-New Line, which was under survey for the last 15 years but not completed on priority basis. (length of project 80 Kms.)	(b) Electrification of Railway lines between Bhiwani, Rohtak and Delhi. Matter under consideration for the last 10 years. (length of the project 120 kms.)
<b>5. Shri Rajo Singh</b>	(a) Survey completed on Damiyama-Sekhpura new line. Desire immediate implementation.	(b) Introduction of Quil Express from Gaya to Howrah via Shekhpura.
(c) Introduction of DMU from Shekhpura to Patna.	(d) Electrifying of Sirari Station.	(e) Improvement at Shekhpura Station.
<b>6. Dr. Chandrakala Pandey</b>	(a) Reconsideration of freight hike on chemical manure.	(b) Execution of Projects with a vision, with proper qualification and properly timed.
(c) Auditing of financial accounts of the Railways/suggesting quantum of grants to be paid to Government by Railways by an independent auditing body.		

- (d) Improvement in information system.
- (e) Procurement system (about wagons) be regularised by a Parliamentary Committee so as to make it transparent. Proper orders atleast 10000 wagons a year should be given to public sector units like Braithwaite & Company Jessot Burn Standard etc.
- (f) Allocation of more money for safety and passenger amenities.
- (g) All Local Trains should have at least 9 bogies.
- (h) Total management of Sealdah and Howrah station with more passenger facilities and a retiring room at Sealdah should be looked into.
- (i) Need to make railways to work in a team spirit.
- (j) Separate group of Parliament Members to see scrap handling.

**7. Shri Priya Ranjan Das Munshi**

(a) Katihar Jogbani Extension to Radhikapur should

be renamed in gauge

conversion programme for 2000-2001 as Barsoi-

Radhikapur Project (53 kms.)

(b) For New Trains:

- (i) Siliguri Radhikapur metre gauge Inter city train with a Halt at Kishan Ganj-Dalkhola-Raiganj-Kaliaganj-Radhikapur within N.F. Railway.
- (ii) Sealdah-Kumardpur Jn. Limited stop train of Eastern Railway.
- (c) Survey of New Line Gunjaria to Gajole Railway Line Project within North Front & Eastern Railway.
- (d) Medical Compartment with Doctor/Nurse in every Rajdhani/Superfast Trains/Mail.
- (e) Malda Railway Hospital to have special kidney dialysis and transplantation units and heart surgery unit.
- (f) Provision in every Railway Hospital for 70% Railway Employees and 30% public treatment on fees as a matter of social obligation.
- (g) Railway security safety force-separate cadre with Railway security intelligence cadre having legislative power to prosecute.
- (h) To include Raiganj Station Dist. Hq. of Uttar Dinajpur, W.B. under NF Railways as model station.
- (i) Computerised reservation centre at Raiganj-N.F. Railway Dalkhola Station-NF Station, Harish Ch. Pur and Samsi, Eastern Railway.
- (j) Road-over-bridge on Dalkhola level crossing at 34 National Highway.
- (k) Railway goods Rake Terminal at Dalkhola station of NF Railway on 34 National Highway at the junction of Bihar and Bengal to facilitate trade and industry.
- (l) Restructure & remodeling of new Jalpaiguri station.

**8. Shri Manikrao Hodlya**

(a) Completion of survey/doubling of Udhana, Jalgaon section in

the year 2000

and making provision for fund for this project in the year

2001. (b) Provision of RoB at Nandurbar Railway station on Surat Bhusawal Railway Line.

- (c) Budget Provision for construction of Manmad-Malegaon and Dhule new line for which survey has already been completed.
- (d) Request for completion of survey of Nardana, Sheerpur, Indore (MP) new line.
- (e) Provision of stoppage on Surat-Bhusawal Railway line/at Nawapur and Ghodaecha Railway station/fixing of reservation quota in the following trains. Tapti-Ganga up and down 9045-90-46/Surat-Patna up and down 9047-9048/Nav Jeewan Express up and down 6045-6046. Okha-Puri up and down 8401-8402 and Ahmedabad-Puri up and

down 8403-8404.

(f) Construction of second platform at Navapur at SuratBhusaval Railway Line.

(g) Computerised reservation at Nandurbar Railway Station.Railway Board has already sanctioned this in 1998-99.

(h) To expedite to lay rails between Jalgaon-Arodal (Doubling)in Udhana Jalgaon section of WR.

(i) Timely completion of electrification work at Surat-BhusawalRailway Line.

(j) Introduction of New Train-Nandurbar via Surat-Mumbai.

(k) Deployment of gateman for 24 hrs. at eastern gateof Khandbara Railway Station and Ranala Railway Station near Lise RailwayStation of Surat-Bhusawal rail line.

(l) Construction of Pucca approach Roads of all the Railwaystations on Surat-Bhusawal Rail section.

**9. Shri Banarasi Das Gupta** (a) Introduction of Railway new Lines-Hissar-Sirsa via Agroha andFatehabad.(b) Construction of Rohtak-Beri-Jhajhar-Rewari line.

(c) Construction of Loharu-Bhiwani line.

(d) Electrification of Lines from Delhi-Bhiwani.

**10. Smt. Santosh Chaudhary** (a) Provision of ROB at the level crossing near Oswal Sugar Mill atPhagwara, Punjab.(b) The Member has agreed to pay

Rs. 2 crore from MP Local Area Development Fund for thisproject in case the State Government does not agree to pay their share.

(c) Stoppage of Shatabdi train at Phagwara.

(d) Construction of Railway line from Siri Hargobindpurto Amritsar/Pathankot.

(e) Shifting of Divisional Head Quarters from Ferozepurto Ludhiana or Jalandhar or creation of new divisional office at the abovestations.

**11. Shri Prabhat Samantray** (a) More Budgetary allocations and starting the work on Haridarpur-ParadeepRailway

Line (foundation stone laid by the then Railway Minister on 4.4.99).(b) To connect port to port or East to West a trainfrom Paradeep Port to Mumbai via Cuttack, Talcher-Sambalpur, Jharsugudaon Sambalpur-Talcher underutilised Railway Line without any further delay.

(c) Demarcation of jurisdiction of East Coast Zone.

(d) New Delhi-Bhubaneswar Rajdhani Express should runvia Asansole- Kharagpur instead of going to Howrah.

**12. Dr. Abani Roy** (a) Recruitment should be done honestly and properly.

(b) Safety and security The same report is given beforethe House several times, on this question-joint meeting of the State andrailway officials at regular intervals be held.

(c) Wagon procurementPSUs to be saved and the nationalresources. So, a Committee should be set up to look into the matter andplace a report.

(d) A Medical Compartment with medical facilities anda Railway Doctor for ailing people particularly aged passengers.

(e) Passenger amenitiesTime tablecleaning, drinkingwater, catering and foodconstant checking is necessary.

(f) On the question of the new projects and pending projectswithoutgiving the small allocationlet one or two projects be completed on prioritybasis.

(g) The best use of lands and property to be ensured sothat more resources can be created for national interest and not for otherinterest.

(h) One Delhi-bound Train-must stop at Chandrapura junctionbecause a large number of passengers are there but no train is there demandsof the area pending. If possible, either Nilamahal or Jharkhand SwarnaJayanti to stop there.

**13. Shri Bahadur Singh** (a) Conversion of narrow gauge line between Dholpur-Saraipura-

Gangapur into broad gauge

on priority basis. (There is a red stone market and a temple

Kailamata at Karoli

where thousands of passengers come and hence the

need). (b) Stoppage of Paschim Express at Byana for 5 minutes and to reduce stoppage at Mathura.

(c) There is rampant corruption on this section needing a check over the TC/Coach conductors who are earning money through unfair means.

**14. Shri Gopal Singh G. Solanki**

(a) Result of the written test held by Railway Recruitment Boards

should be

declared within a stipulated time. (b) Necessity for

declaration of New Zones be analysed.

**15. Shri Jagdambi Prasad**

(a) Increase in the

Budgetary Support Railways. (b) The goods booked by the Railways should reach safely and in time at the destination.

(c) Strict action should be taken against the Railway employees found involved in theft in railway yards or railway workshops.

(d) Improvement in container service.

(e) Provision of sufficient funds for gauge conversion.

(f) Wagon manufacturing should be started at Jamalpur workshop.

(g) Puraihat and Lalmatia should be joined with railway line at Hasadia.

(h) Starting of Reservation Counter and ticket booking counter at Lalmatia.

**16. Dr. (Smt.) Anita Arya**

(a) There should be a sweeper permanently posted in each

train. (b) Special attention should be paid for cleanliness at the railway stations and particularly at Agra Cantt. where a number of foreign visitors come to see the Taj Mahal.

(c) Bed facility should be provided at railway waiting rooms, particularly, for old or ailing passengers.

(d) Backlog of ST/SC be filled up without any further delay.

(e) FIR for theft etc. should be lodged in train or at the station wherever the passenger wants to lodge it.

**17. Smt. Sushila Saroj**

(a) Cancellation of wait listed tickets in Delhi-Lucknow Shatabdi

Express should be

done away with and on the wait listed ticket Tatkal Booking

be done by taking

the difference of fare. (b) The train running between Banaras

and Balamou be extended to Sitapur via Baniganj-Nimsar Misrickh-Ramkot-Sitapur.

(c) Railway yard must be provided at Sitapur so that train etc. can be cleaned and stayed. In case it is not possible to extend the LBM train upto Sitapur, it may be extended up to Nimsar, the station where this train was extended for a fortnight at the occasion of Mahakumbh organised by Baba, Jaiguru dev.

(d) A new train as requested by

8 MPs be started from Chhapra to Lucknow via Balia-Mau-Shahganj. Stoppage of Agra Fort Train

No. 5314 up and 5313 down at Singholi.

(e) Provide a direct train from Allahabad to Calcutta.

**18. Shri Brij Bhushan**

(a) A parcel van, to be managed by private couriers, be attached to

every train

so that goods/parcels which are being sent by air could

be sent safely and timely

by rail to the destination.(b) Cost benefit analysis in respect of diesel and electric engines be done under intimation of this Committee.

(c) A high powered Committee should be constituted for purchasing safety related items to be used in signalling and telecommunication sector so that inferior quality goods are not purchased.

(d) An inquiry must be held on all the points relating to management of 5 tenders pointed out by him so that corruption in these areas can be restrained.

### Minutes of the sitting of standing Committee on railways (1999-2000) Held on 11.4.2000

The Committee sat on Tuesday, the 11th April, 2000 from 1100 hrs. to 1345 hrs. in Committee Room B, Parliament House Annexe, New Delhi.

**PRESENT** Shri K. Yerrannaidu *Chairman*

Members

*Lok Sabha*

2. Dr. (Smt.) Anita Arya
3. Shri Priya Ranjan Dasmunsi
4. Shri Tarun Gogoi
5. Shri Subodh Mohite
6. Shri Sohan Potai
7. Shri Prabhat Kumar Samantray
8. Dr. Nitish Sengupta
9. Shri Bahadur Singh
10. Shri Brij Bhushan Sharan Singh
11. Capt. (Retd.) Inder Singh
12. Shri Rajo Singh
13. Shri Jagdambi Prasad Yadav

*Rajya Sabha*

14. Shri Banarsi Das Gupta
15. Shri Gopalsinh G. Solanki
16. Shrimati Chandra Kala Pandey
17. Shri Maulana Obaidullah Khan Azmi
18. Shri Abani Roy
19. Dr. D. Venkateshwar Rao

Secretariat

1. Shri M. Rajagopalan Nair *Joint Secretary*
2. Shri R.C. Gupta *Deputy Secretary*
3. Shri S.N. Dargan *Under Secretary*
4. Shri O.P. Shokeen *Committee Officer*

At the outset the Chairman, welcomed the Members to the sitting of the Committee. Thereafter, the Committee considered and adopted the Draft First Report on Demands for Grants (2000-01) of the Ministry of Railways with amendments/modifications as indicated in Annexure I.

2. The Members also made certain suggestions in regard to various issues like introduction of new lines, doublings, gauge conversion, passenger amenities etc. for inclusion in the report subject to the approval of the Chairman.

(Annexure II)

3. The Committee authorised the Chairman to finalise thereport after making consequential changes, if any arising out of factualverification by the Ministry of Railways or otherwise and to present thereport to both the Houses of Parliament.

*The Committee then adjourned.*

*annexure I*

Amendments/modifications made by the  
standing committee on railways  
in the draft first report on  
demands for grants, 2000-01  
of the ministry of railways

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Sl. No.	Page No.	Para No.	Line
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1	2	3	4	5
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1	98	214	11	After provides for
average2.	99	215	10	<b>Delete</b> The decision of not
effecting any hike in the passenger				fares, however, means that the
budget has not addressed the				issue of tariff distortions plaguing
the sector. Passenger fares,				which will account for almost 28 per
cent of the gross traffic				receipts of the Indian Railways in
the coming fiscal year,				are heavily subsidized and are
mainly responsible for the				serious distortions in operating
surplus. Rail finances are				likely to deteriorate further on this
account.3.	101	217		At the end of paragraph,
<b>Add:</b> Simultaneously, a major determined cost-cuttingexercise will have to be undertaken covering not only the wage				
bill butalso in all other aspects.4.	102	219		At
the end of paragraph,				
<b>Add:</b> The Committee also desire the Railways tofind out cheaper resources for the funding of their projects. IRFC				
shouldalso explore possibilities for resource mobilisation in international market.5.	102 & 103			

tax. However, it was brought to the notice of the Committee that these lines being MG/NG take much more time in travelling from one place to another in comparison with the road traffic. One of the Uneconomic Branch Lines became viable due to its conversion in broad gauge line. The Committee, therefore, strongly recommend that the Railways should (a) go in for gauge conversion of these lines so that the market centres could be developed or in the alternatives use these lines for movement of good traffic and (b) give some of these lines on lease, where possible, to private operators. The losses on the operation of these lines should be treated as public services obligation and compensated by the Central

Government.6

103

221

**Substitute** for existing

para:221. The Committee note that the Railways organizational set up towards land management is absolutely weak. They are facing serious problems in management, development and custody of their lands specially which are in the hearts of the cities and are most valuable and vulnerable to encroachments. The Committee are of the firm view that the land being an important non-traditional resource, a proper and scientific management of this asset is the imperative need and therefore in order to put this highly important and complex area of activities on proper footing, it would be essential for the Railways to set up a separate competent Land Management Authority dealing with Railway land management effectively and efficiently *inter-alia* to achieve (i) completion of land records (ii) protection of the land not under encroachment (iii) removal of existing encroachments or negotiate with existing encroachers by involving civic authorities offering that land on lease at market rates and (iv) commercial utilization of their vacant land keeping in mind the requirements of the railway network expansion. The Committee also desire that the Divisional Railway Managers be made responsible for any encroachments on the land under their

jurisdiction.7.

103A

222

**Substitute** for last sub-

para: The Committee cannot but conclude that the Railways have totally failed to overcome the wide-spread corruption. They gather the impression that no action is being taken against the big players including higher officers responsible for this state of affairs. The Committee stress that there is an urgent need to re-look into the whole process of tendering system; scrap disposal and the functioning of the Railway Recruitment Boards and make them fully transparent. The Committee also recommend that the examinations/interviews should be held within the States concerned and vacancies should be filled up State-wise. Another area of concern to the Committee is the Goods Booking Centres where rampant corruption is prevalent. The Committee, therefore, strongly recommend that Commodity Certification Cells having a senior vigilance officer in each Cell be created at all these

Centres.8.

104

223

**Substitute** for the existing

para:223. The Committee are surprised to find that instead of reduction, there is substantial increase from Rs. 291.23 crore in 1995-96 to Rs. 552.55 crore in imports by the Railways. The Committee take a very serious view of this high import bill which will be a drain on national exchequer. Moreover, there is ample scope for indigenous manufacturing of the items which are currently being imported. Therefore, the Committee are of the view that the imports should be resorted to only in exceptional circumstances with the approval of the highest authority. They also desire that the Railways should examine the possibility of manufacturing these items indigenously side-by-side involving the Public Sector Undertakings where the Railways are not able to manufacture these items and also explore the possibilities of private participation in this area. In this context the Committee also urge upon the Railways to ensure that the items manufactured by the Public Sector Undertakings/Private Parties should conform the quality and specifications prescribed by the Railways.9.

104

After

Paragraph 223:**Add** : the following new paragraphs,

## Passenger Amenities and Catering

224. In the era of consumer awareness, the image of the Railways is heavily dependant upon their quality of passenger amenities being provided to their customers. Therefore, it becomes quite imperative for the Indian Railways to serve their customers qualitatively and efficiently at every corner of their service end. The Committee note that though the budgetary provision of Rs. 130 crore made during the last year was revised to Rs. 132 crore, the overall situation has remained abysmally poor and require immediate attention to improvise the same. During the current year, the Railways have earmarked Rs. 200 crore to provide passenger amenities. However, the Committee are not satisfied with the present state of passenger amenities being provided to the passengers. Therefore, they are of the view that Railways must accord top most priority to the areas concerning passenger amenities and a professional approach be adopted to provide better services to their customers/passengers.

225. The Committee find that there are two types of traffic-freight and passenger with the Railways and to increase and improve the passenger traffic the catering services on Railways play an important role. The Committee express their serious concern that the catering services in the trains as well as at the stations are of the poorest quality. Food, drinking water, etc. served in the trains and at the stations are hardly found hygienic. No regular checks are conducted. Even no accountability is fixed on the supervisory staff involved in mal-practices. Though the Indian Railway Catering and Tourism Corporation has been formed with a view to providing improved catering services to the passengers and value aided services for both domestic and foreign tourists, there is an urgent need to make the Corporation functional at the earliest.

10. 104 224

**Substitute** for the existing Para:

### Cleanliness

226. There are number of Complaints regarding lack of cleanliness at railway stations and in waiting rooms/running trains. The Committee find that in spite of repeated recommendations made by the previous Standing Committees on Railways, no improvements are visible in this area. The Committee, therefore, strongly recommend that the necessary steps should be taken at the highest level to ensure the required cleanliness at stations and in waiting rooms/running trains. In this context, the Committee would like to suggest that the accountability be fixed at every level station-wise/train-wise and simultaneously public awareness should be promoted by organising special cleanliness drive at regular intervals.

11. 106 sub para 7

**Read** agree with for approve

of 226

12. 108 229 8

**Add:** including location of wagons after movement

13. 109 2nd sub

**Add,** the following sub para

para of 230 after first sub para, The Committee note that the higher officials in the Ministry of Railways (Railway Board) are not serious enough to the recommendations made by the Parliamentary Committees. The Committee were shocked to know during evidence that the Member (Mechanical) while replying to a specific query relating to the recommendations made by the Railway Wagon Committee constituted by the then Chairman, Rajya Sabha on 9th August, 1995 on tendering system and procurement of wagons, informed the Committee that "... about the detailed recommendations, I am not aware." But when the proceedings were sent to the Ministry of Railways for carrying out grammatical errors or such other patent errors as wrong figure etc., the Member (Mechanical) incorporated the changes in the submission he had made before the Committee. The Committee seriously castigate such casual approach of the Railway Board toward the recommendations of

the Committee. 14. 110 1st sub para 231

Last line **Add:** The

Committee also desire that first charge on the limited internal resources generated should be towards meeting the depreciation needs so that the reliability of equipments gets the priority it deserve and continues towards the enhancement of the safety needs of the Indian Railways, besides contributing towards improvement in the quality of services. 15. 112 232 Last line

**Add,** The Committee also recommend that previous railway service on Meter Gauge in North-Eastern Region either be continued or sufficient funds be made available for gauge conversion of these MG lines in a time bound manner.

The Committee are aware of the fact that the slow pace of railway development in NE and J&K Region is attributed mainly to the acute law and order problem due to terrorism. In this context, the Ministry of Railways, in order to accelerate the pace of development of railway projects in these areas, should vigorously co-ordinate with the State Governments concerned and other Central Ministries of Home and Defence for speedy implementation.

16. 113 235 3 **Add,** since at times after note and Read; passengers for one of the Members of Parliament.

*ANNEXURE II*

Statement showing the Suggestions made by the Members of the Standing Committee on Railways during the consideration of Draft First Report on Demands for Grants (2000-01) of the Ministry of Railways on 11.04.2000)

S.No.	Name of the Member	Suggestions by the Member
1	2	3

1. **Shri K. Yerrannaidu Foot over bridge at Duvvada Station** Duvvada Station is at a distance of 18 km. from Visakhapatnam main station and within the city agglomeration. Visakhapatnam Steel Plant township is at 10 km. from Duvvada Station and many townships are around Duvvada station within a range of 10 km. The station is having 3 platforms.

Mail & Express trains such as Bokaro-Alleppy Express, Visakha Express, East-coast Express Howrah-Trirupati Exp., Simhadri Exp. In addition to 5 pairs of passenger trains stop at Duvvada station.

Considerable difficulty is being experienced by the passengers in boarding the trains and from trains to station due to lack of a foot over bridge. Many representations have been made by the people representatives, passengers association and the Press. A proposal for the sanction of FOB at Duvvada station was mooted from this division, but was not considered as the originating traffic of passenger is not as per norms. In view of local conditions and demand of FOB at Duvvada station is to be considered and sanctioned as a special case.

**Third Foot over bridge at Visakhapatnam Station**

Visakhapatnam Railway station has been dealing with thousands of originating passengers with same number of inward passengers. This station handles 54 mail/express trains and 15 pairs of passenger trains. Railway Board have

also identified VSKP Station as a model station.

Presently there are 2 FOBs at VSKP of which 1 FOB connects all the 5 platforms and the other connects platforms 1,2 & 3. Lot of congestion is noticed on FOB during the period of bunching of trains as the landing of FOBs are on platform No. 1.

Extension of existing FOB (3.7 mtr. wide) at North end from platform 2/3 to Gnanapuram side entrance at Visakhapatnam Railway Station.

The proposal is submitted at a cost of Rs. 58.02 lakhs as part of other development works and forwarded to HQ by Sr. DOM (Planning Section)/Waltair.

### **Coaching Complex at Visakhapatnam**

A new Coaching Complex has been sanctioned at Waltair at a total cost of Rs. 4.9 crore. At present, in the Waltair Division, 13 trains are being maintained on the existing three pit lines. These pit lines are of shorter length and a lot of shunting operations are required for placing rakes on the pit lines. Also, there is no space for construction of platform on the west side (Gnanapuram). This shifting of washing lines therefore, from present Waltair station to new coaching complex in Marshalling yard will facilitate in construction of additional platform. At present, the land where coaching complex is in Railway land and is used by

M/s. SAIL. M/s. SAIL are giving very little traffic to the Railways either inward or outward and using this depot for dumping their material only.

Since last six months, M/s. SAIL are being requested to vacate the site so that Railway can take up the work of the new coaching complex. Till date, the land has not been vacated by M/s SAIL.

**Ramaiah**

**Shri Gunipati**  
(a) Stoppage of Chennai-Dadar Express at Kodur

Railway Station. (b) Restoration of passenger train No. 525/526 running previously between Renigunta and Cuddapah:

(i) 14 berths quota should be provided at Kodur Railway Station in train No. 7478 Venkatadri Express instead of 10 at present.

(ii) Quota of 4 berths instead of 2 in train No. 7430 Rayalaseema Express at Kodur.

(iii) Quota of 2 AC berths be provided in 7498 Venkatadri Express from Kodur.

**Mohite**

**Shri Subodh**  
(a) The Railways should take immediate and appropriate steps

to remedy the declining growth rate of its popularity amongst users both passenger and freight through user friendly mechanisms as well as avoidance of detrimental factors like corruption, poor timelines, inflated cost orientation, rigid and cumbersome procedures, preferential wagon allocations etc.

(b) The Railways needs to improve its performance and productivity through effective steps as follows:

(i) Enhance manpower productivity through a progressive systematic target oriented work, time and method study within a strict time frame and redeploy the surplus manpower through scientific methodology.

(ii) Reduce operational costs through resource efficiency improvements. Set progressive benchmarks.

(iii) Rationalise and optimize utilisation of railway resources like tracks, trains etc.

(iv) Introduce modern management practices like TQM, VE, ERP, KAIZAN. (c) The Railways also needs to improve its project management capability through.

(i) Decision support system for investment decisions needs to be made transparent.

(ii) Reduce cost and time overruns in projects. Motivate cost and time underruns. Strengthen supply management through VD, E-Commerce etc. to introduce system like just in Time Supplies.

(iii) Make funding project driven and ensure completion of all existing projects before introducing new ones. Also decentralise funding of projects at zonal level. Zonal Railways should introduce new projects only out of revenue

generated.4. **Shri Gopalsinh G. Solanki**  
Sayajinagari Express  
Vadodra-Gandhidham Inter-City Express should not

(i) 2963/64 Bandra-Vadodra  
and 9103/04

be merged and run separately.

5. **Capt. (Retd.) Inder Singh**  
always be allotted side

(a) Armed forces personnel should not

seats in reservation against

Railway warrant.(b) Senior citizens should be allowed concession in all classes/trains.