

**STANDING COMMITTEE ON RAILWAYS
(2004)**

THIRTEENTH LOK SABHA

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

**Action Taken by the Government on the
Recommendations/Observations contained in the 13th Report
of the Standing Committee on Railways (2003)
on 'Demands for Grants – 2003-04' of the
Ministry of Railways**

EIGHTEENTH REPORT



**Presented to Lok Sabha on 04.02.2004
Laid in Rajya Sabha on 04.02.2004
LOK SABHA SECRETARIAT
NEW DELHI**

February, 2004/Magha, 1925 (Saka)

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31. Maulana Obaidullah Khan Azmi
32. Shri Karnendu Bhattacharjee
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34. Shri Raju Parmar
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37. Shri Surendra Lath
38. Shri Tarini Kanta Roy
39. Shri Ravula Chandra Sekar Reddy
40. Shri N. Jothi
41. Shri S.R. Bommai
42. Dr. Arun Kumar Sarma
43. Shri Abani Roy
44. Shri Harendra Singh Malik
45. Shri Bashistha Narain Singh

SECRETARIAT

- | | | | |
|----|----------------------------|---|-------------------|
| 1. | Smt. P.K. Sandhu | - | Joint Secretary |
| 2. | Shri V.S. Negi | - | Deputy Secretary |
| 3. | Smt. Abha Singh Yaduvanshi | - | Under Secretary |
| 4. | Shri Lalkithang | - | Executive Officer |

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I N T R O D U C T I O N

I, the Chairman, Standing Committee on Railways (2004) having been authorised by the Committee to present, on their behalf, present this Eighteenth Report of the Standing Committee on Railways (2004) on Action Taken by the Government on the Recommendations/Observations contained in the 13th Report of the Standing Committee on Railways (2003) on 'Demands for Grants – 2003-04' of the Ministry of Railways.

2. The Thirteenth Report was presented to Lok Sabha on 10.04.2003 and it contained 30 recommendations/observations. The Ministry of Railways have furnished their Action Taken Replies on all the recommendations/observations on 14.11.2003.

3. The Standing Committee on Railways (2004) considered the draft Action Taken Report and adopted the same at their sitting held on 30.01.2004.

4. An analysis of the action taken by the Government on the recommendations/observations contained in the Thirteenth Report of the Standing Committee on Railways (2003) Thirteenth Lok Sabha is given in Appendix-II.

NEW DELHI
30 January, 2004
10 Magha, 1925 (Saka)

K. YERRANNAIDU,
Chairman,
Standing Committee on Railways

CHAPTER I

REPORT

This Report of the Committee deals with the Action Taken by the Government on the recommendations/observations contained in the Thirteenth Report of the Standing Committee on Railways (2003) on 'Demands for Grants (2003-04) of the Ministry of Railways' which was presented in Lok Sabha on 10.04.2003.

2. Action Taken Notes have been received from the Government in respect of all the 30 recommendations/observations contained in the Report. These have been broadly categorized as follows:-

- (i) Recommendations/Observations which have been accepted by the Government – Para Nos.199, 200, 202, 203, 204, 205, 206, 207, 210, 211, 212, 215, 216, 219, 222, 223, 225 and 228.
- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies – Para Nos. 201, 208, 218, 221 and 224.
- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee – Para Nos. 209, 213, 217 and 220.
- (iv) Recommendations/Observations in respect of which final replies are still awaited – Para No. 214, 226 and 227.

3. The Committee desire that all final replies in respect of the recommendations/observations for which only interim replies have been given by the Government be furnished to them expeditiously.

4. The Committee will now deal with the Action Taken by Government on some of their Recommendations/Observations.

AVAILABILITY/ALLOTMENT OF RAKES
(Para No. 207)

5. During the course of evidence the Committee had noted that the distribution of rakes has not been made in accordance with the principle of maintaining regional balance, so far. With the result huge amounts of cargo remains unlifted at the ports and transshipment centers leading to national loss. They also find that transparency is not maintained in availability and allocation of rakes, keeping the consignees in dark as to the time period involved in lifting of their cargo. The Committee had, therefore, recommended that transparency should be maintained in availability of rakes, priority of applicants and allotment of rakes should be computerized and displayed to the public at the Divisional Headquarters and in Newspapers so that the applicants may plan accordingly. The Committee felt that by maintaining transparency railway finances would also improve substantially.

6. In their Action Taken Reply, the Ministry of Railways have stated:-

“Allotment of rakes is governed by rules enumerated in the Preferential Traffic Schedule. There is total transparency as indents are placed at depots., with details of commodity to be loaded, date of registration, etc, For ensuring equitable distribution of rakes as well as improving operating efficiency and reducing the unit cost of transportation, a quota system is being followed for each Zonal Railway on a monthly basis. This is based on the demand pattern on the Zonal Railways, requirement of empties for movement of Public Distribution System (PDS) and other essential commodities and requirement of empties for back loading in various Zones. The consignee is aware of the system being followed and has an approximate date on which a rake will be allotted to him. Railways also follow a system of restriction for locations where unloading is a problem, an accident has occurred enroute affecting movement, or any other problem resulting in holding up of rolling stock.

Movement, detention and requirement of rolling stock is monitored at the level of Division, Zone and Railway Board on a daily basis.”

7. The Committee find that the Railways have only partially replied to their earlier recommendation. They would like to reiterate their recommendation that allotment of rakes should be computerized and displayed to the public at the Divisional Headquarters and in Newspapers as this would improve the finances of the Railways substantially besides enhancing transparency.

**CONSTITUTION OF JOINT COMMITTEE FOR SETTLEMENT WITH
ENCROACHERS
(Para No.209)**

8. The Committee had found that the Railways own about 4.23 lakh hectares of land which is mainly used for locating service and operational infrastructure such as track, stations, workshops, staff colonies etc. Land being an important non-traditional source, a proper and scientific management of this asset must be ensured. However, the Committee were informed by the Ministry of Railways that 98% of the land plans were available and 86% of these plans had been certified by the Revenue Authorities. They had found that except the Western Railway no other Zonal Railways had completed the computerization of land plans so far. They also found that there was no substantial decline in Railway land under encroachment. Despite the proactive actions taken by the Railways, 2218 hectares of Railway land were still under the unauthorized encroachment. The Committee while taking a serious note of situation had desired that the land plans be completed and computerized without any further delay so that the Railways could plan for commercial utilization of these lands. They had also suggested that for recovery of land from the encroachers, the Railways should form a Joint Committee consisting of the representative of the Railway Board, State Government and the local MP to negotiate with the encroachers for one time settlement.

9. In their Action Taken Reply, the Ministry of Railways have stated:-

“Since land plans need to be certified by the State Governments, progress to be made in certification and reconstruction of land plans largely depends on the cooperation received from the State governments. However, all Railways have been directed to make the endeavors to complete the availability of all land plans and the certification process by 31st March, 2005. Regarding computerization (scanning) of land plans, Railways have been directed to complete the process by 31st March, 2004.

For recovery as well as protection of their land Zonal Railways are engaged in a continuous exercise in accordance with the provisions of Public Premises (Eviction of Unauthorised Occupants) Act, 1971 and Railways Act, 1989. During such exercise the State governments, if they so desire, can raise the matter of resettling the encroachers on their land with the officers of the Zonal Railways. Since housing is a State subject the initiative for shifting the encroachers should come from the State Governments. Any proposal of this kind, received from the State Government for transfer/relinquishment of Railway land can be examined by the Zonal Railways as per extant Rules in consultation with Railway Board.

Regarding Standing Committee’s suggestion for forming a joint Committee to negotiate with the encroachers it is stated that encroachment of public land is an unlawful act. Mere unauthorized occupation of a public land does not accord any right to such encroachers over the land. Holding negotiations with the encroachers even at lower level may give a wrong signal to the encroachers that they have acquired some right over the place. The implication of such negotiations at the highest of level of governance i.e. Central Government and highest level of legislature i.e. Members of Parliament, may not be conducive in the long run and may be quite detrimental to the democratic principles of the

country. In this connection it will be pertinent to mention that Hon'ble Delhi High Court in their order dt. 8.7.96 (CWP No.230/96) – Tughlakabad Jhuggi Jhopri Welfare Association Vs UOI and others, observed that mere stay for some time at a place does not in itself confer any legal rights which can be adjudicated in exercise of powers under Article 226 of the Constitution of India particularly when the ownership of land is not disputed; it will be following a very dangerous precedent to give legal sanction to encroachers who occupy Government land on the false assurance of regularization by some unscrupulous persons. The court also observed during the course of their order that encroachment of public place cannot be claimed by way of right however, compelling the necessity may be.

While quashing the Resettlement and Rehabilitation policy of the State Government of NCT, Delhi, Hon'ble High Court, Delhi have observed that (i) the authorities cannot acquire land and thereby make the farmers, who have been the legal owners of the land for generations, landless and displace them with the object to use the same very land for “unplanned development” rather than planned development; (ii) to permit such land to be utilized for rehabilitation of persons who have encroached upon public land would be travesty of justice and fair play and would amount to a premium on such dishonesty and public encroachment on the land; and (iii) it would only encourage persons to encroach on public land as has happened. However, the Ministry of Urban Development have gone in appeal in Hon'ble Supreme Court against the above judgement.

Therefore, forming Joint Committee consisting of officers of Railway Board, State Government and local MP is not considered desirable”.

10. As regard the compilation of land plans and computerization thereof the Committee are satisfied with the efforts made by the Ministry of Railways in this direction. They observe that all railways have been directed to make the endeavors to complete the availability of all land plans

and the certification process by 31st March, 2005 and the process of computerization of land plans by 31st March 2004. The Committee desire that the Railways should accord top priority to the process of land plans and computerization thereof and complete the same within the targeted dates. They would like to be apprised of the progress made in this regard.

The Committee does not agree with the reasoning of the Ministry of Railways that setting up a Joint Committee to negotiate with the encroachers even at lowest level may give a wrong signal to the latter that they have acquired some right over the land. The Committee find that the Government have not proposed any alternative viable measure to the Joint Committee for evicting unauthorized encroachment of Railway Land. They, therefore, have strong reasons to believe that the Ministry is not serious in the matter. The intention behind the recommendation of the Committee was first to ensure a proper and scientific management of the entire Railway land so as to facilitate in vacating the encroached lands and thereafter chalk out a strategy to develop the surplus land for optimum commercial utilization. The Committee do not agree with the decision of the Ministry of Railways to keep this land with the encroachers and forego its further utilization. They, therefore, stress that either a Joint Committee as suggested earlier may be constituted or a viable alternative measures be adopted to remove encroachers from the Railway land at the earliest. The Committee would like to be intimated of the progress made in the matter.

VACANCIES IN SAFETY CATEGORY
(Para No. 213)

11. The Committee had observed that the major contributing factors for accidents had been found to be human failure. They found that 20,000 vacancies in safety categories in Group 'D' would be filled up through Railway Recruitment Board within the next one year and this would be in addition to employing 3500 constables in RPF. The Committee had failed to understand the logic behind inducting such a large numbers, when the major contributing factors for accidents had been found to be human failure. Though they are

convinced that this would create more jobs for people, they were apprehensive that it would add to the already over-sized Railways in combating the rising menace of track tampering.

The Committee had suggested that instead of proposing a contingency plan to absorb people, the Railways must concentrate on re-training the existing work force and re-deploy the staff as far as possible. They had also stressed that vigorous and wide training regarding observing safety norms be given at different zones to the Railway employees especially the traveling staff and a disaster management module be worked out and sincerely followed.

12. In their Action Taken Reply, the Ministry of Railways have stated:-

“The present security scenario of the country has affected the Railways in a considerable measure in ensuring safe train operations. It is essential to strengthen railway in-house protection and maintenance system, which include RPF as well as Gangman (Group ‘D’ Safety Categories). Hence the requirement for recruitment in Group ‘D’ staff. About 17000 of the above recruitment is being made in the Gangman category of the Civil Engineering Department. Since their main activity is maintenance of the track and ensuring safety and protection, the above recruitment would ensure more hands available for patrolling and guarding assets like bridge, etc. which would be able to detect track tempering case more effectively.

In order for every organization to prosper, induction of new faces at regular intervals is essential. This not only ensures that the old skills are passed on from generation to generation but it helps in new thinking, new ideas, which are extremely essential and beneficial to the improvement of the existing system.

Recruitment is not a contingency plan but is being made to ensure that railways achieve its goals on the safety and reliability front.

The other important aspect is that Group ‘D’ is the feeder category for departmental quota in Group ‘C’ for all departments even in safety

categories. In order to ensure that the Group 'C' category posts are not left vacant, to that extent recruitment in Group 'D' cannot be avoided.

Railways are also regularly identifying work areas where staff can be declared as surplus, retraining them and redeploying them in areas requiring manpower. This is being done on a continuous basis and it may be mentioned that in 2001-2002, 7793 staff were redeployed and in 2002-2003, up to Feb'03 about 4346 staff have been redeployed.

Safety categories of staff viz., ASM/SM, Yard Master, Switch-man, Drivers, TXRs, etc are required to undergo refresher training once in every three years. Instructions exist that when any staff belonging to safety category becomes over due to refresher training should be taken off duty until such time as he completes the training. Moreover, Promotional training has been made mandatory at different stages for staff belonging to some of the safety categories and they are given exclusive training on First Aid and on Disaster Management”.

13. The Committee in their earlier Report had noted that the major contributing factors for accidents have been that of 'human failure'. They were of the firm view that safety being a sacrosanct area must be given top priority. To ensure this, the Committee had suggested that the Railways must concentrate on re-training the existing work force and re-deploy the staff as far as possible. They had also stressed that vigorous and wide training regarding observing safety norms be given at different Zones to the Railway employees especially the traveling staff and a disaster management module be worked out and sincerely followed. From the Action Taken replies the Committee find that the Ministry of Railways have failed to satisfactorily address the Committee's core concern of major contributing factors for accidents, namely, human failure, and a contingency plan to check the same. The Committee have strong reasons to believe that the Ministry of Railways are more concerned about recruiting manpower to the already oversized railways rather than concentrating on re-training of the existing staff.

The Committee have been informed that safety categories of staff undergo refresher training once in every 3 years and instructions exists to that extent. However, the Committee feel that either these instructions are not adequate or are not strictly implemented as can be gauged from the number of accidents that are being attributed to the human error. The Committee thus strongly reiterate their earlier suggestion for re-training the existing work force and re-deploy the staff as far as possible. They would like to be apprised about the status of retraining and redeploying of the existing staff and workforce, Zone-wise.

CHECK ON TICKETLESS TRAVEL
(Para No. 215)

14. The Committee had found that there was substantial amount of revenue leakages in the form of ticketless travel or fake tickets. They also found that ticket checking system has substantially deteriorated and touts are on increase as passengers, especially during the peak seasons, are unable to get reservations in some trains, even when the booking is done a month before the date of travel. The Committee had stressed that all out efforts viz. (i) improvement in vigilance system (ii) surprise checks by senior officers (iii) adequate number of ticket windows at stations (iv) more open ticket counters in the cities (v) no advance reservation for short journey i.e. upto 200 kms. should be made to plug leakages and check this widespread menace. They had also advised the Ministry that punitive action be taken in case a Railway employee is found to be conniving with the touts. They also noted that the Ministry should take stern action against the employees causing harm to the Railway Property or misusing it. The Committee had strongly recommended opening up PRS Centres at non-rail heads District Head Quarters where District Administration provides free accommodation to the Railways.

15. In their Action Taken Reply, the Ministry of Railways have stated:-

“The number of preventive checks conducted by Vigilance in mass contact areas during the last three calender years and the number of staff

taken up under disciplinary action for various irregularities are given below:-

Year	No. of checks conducted in Mass Contact Areas	No. of staff taken up
2000	25,840	8,289
2001	22,637	6,038
2002	23,783	6,686

As would be seen from the number of staff taken up under Disciplinary & Appeal Rules that all out efforts are being made to plug the leakage of revenue through ticketless travel as well as to keep the touting activities under strict check.

As per the extant policy on providing computerized reservation facilities at non-railhead District-Headquarters, State Government provides the built-up space free of cost. As on 30.07.2003, computerized reservation facilities have been provided at 413 District Headquarters. Another 61 District Headquarters have been sanctioned with these facilities and work is under way. The work for providing computerized Passenger Reservation facilities at remaining District Headquarters will be taken up in phased manner depending upon availability of funds”.

16. The Committee find that the Railways have taken some efforts by way of conducting vigilance checks in mass contact areas for addressing revenue leakages in the form of ticketless travel/fake tickets and touting activities. They, however, are of the view that the steps taken by the Railways are inadequate as merely conducting checks in mass contact areas occasionally will not stop the menace unless the frequency of these is substantially increased. Moreover, from the statistics provided to the Committee, they have no way of knowing if the checks conducted pertains to ticketless travel, fake tickets, touts or erring employees. The Ministry have not specified any concrete steps to stop revenue leakages through ticketless travel and such other malpractices. Moreover, the Action Taken

reply did not address to some of the Committee's recommendations such as adequate number of ticket windows at stations, more open ticket counters in the cities, no advance reservation for short journey i.e. upto 200 kms. If the Government had addressed these aspects it would have been effective in plugging revenue leakages and put a check on ticketless travel. The Committee thus have no choice but to strongly reiterate their earlier recommendation and stress that the matter may be taken up more seriously and sincere and concerted efforts be made to stop the menace.

INTERNAL RESOURCE GENERATION & DEPENDENCE ON IRFC

(Para No. 216)

17. The Committee were informed that the Indian Railway Finance Corporation (IRFC) was set up in 1986 to partly finance plan outlay of the Railways by raising money from the market and meeting the developmental needs of Indian Railways. They were also informed that gross asset value of rolling stock leased/sub-leased by IRFC to the Ministry of Railways till 31st March, 2002 is Rs.23,874 crore. During the oral evidence, the Committee were apprised that the Ministries are not permitted directly to borrow from the market. They were also intimated that the cost of money or the interest paid was higher than the dividend rate. The Committee had noted that there was a steady decline in contribution of internal resources to the annual plan expenditure resulting in increased reliance on market borrowings. They found the budget (2003-04) has announced several measures to raise additional resources. They felt that the Ministry should take some tough measures to restore the revenue generating potential of freight business and make further efforts to enhance freight business. Simultaneously they should also reduce the losses incurred in passenger business.

The Committee had cautioned the Ministry against excessive borrowing through IRFC to meet the growing demand for investment in rolling stock, maintenance of plant machinery and replacement of overaged assets. They desired that the Ministry should instead make all out efforts to enhance their

internal generation of funds through prioritization of projects and by completing near- completion/last mile projects so that they start remunerating the Railways and reduce their dependence on market borrowings. The Committee had emphasised the strategies for reducing input cost vigorously and liberalise existing policies and guidelines to attract private investments in development plans. They hoped that the Ministry would pursue these strategies aggressively so that resources become available to fully service their renewal programmes. They had also recommended that the Ministry should explore and pursue non-traditional sources of earnings such as commercial utilisation of their land and air space etc.

18. In their Action Taken Reply, the Ministry of Railways have stated:-

“As regards funding of projects, it is mentioned that a number of initiatives have been taken in the past two years to generate resources other than budgetary support, which has improved the availability of resources. These include public/private partnership, sharing by State Government, funding from Ministry of Defence, additional budgetary support for National Project and likely non-budgetary investment in National Rail Vikas Yojana. With these efforts, the availability of resources for the projects have increased considerably over the previous years. An exercise has also been undertaken for prioritization of projects keeping in view the present trend of resources. Accordingly, the projects have been identified for completion in X and XI plan periods and the prioritization has been submitted to CCEA as desired by Planning Commission.

Commercial development of railway land/air space has been taken as one of the non-tariff measures to generate revenues for the Railways. 62 sites having commercial potential, have been identified and market feasibility study undertaken and market survey completed in 46 cases. Action has been initiated on the completed market surveys and Bids finalized for 7 sites. So far Rs. 4.0 crore have been realized for property development.

It is also proposed to constitute an Authority – Rail Land Development Authority (RLDA) under the control of Ministry of Railways, through amendment to Railways Act, 1989, to undertake all tasks relating to property development”.

19. From the Action Taken replies of the Ministry, the Committee find that the Ministry has taken up a number of initiatives in the last 2 years for enhancing their internal resource generation. While they note that an exercise has been undertaken for prioritization of the projects, the Committee are of the view that the Ministry still requires to put in much more efforts towards enhancing their capacity for internal resource generation. They therefore, desire that the Ministry must constantly monitor the identified projects for completion during the Xth and XIth plan period as per schedule.

The Committee are also concerned to note that the Ministry are not making an all out effort for commercial development of railway land/air space. They would like the Railways to undertake market survey on all the 62 sites that have so far been identified and where market feasibility studies have already been undertaken. The Committee are of the view that this will enormously increase the internal generation of funds for the railways. They also feel that there is an enormous scope of enhancing the earnings from land once the Ministry implements the concept of a separate Land Management Authority for development of commercial property at railway stations. They stress that this Management Authority should identify, finalise and develop these land sites, having tremendous commercial potential for obtaining substantial returns, with due promptitude. The Committee desire that the process of constituting this Authority may be expedited.

INDIAN RAILWAY CATERING AND TOURISM CORPORATION (IRCTC)

(Para No. 217)

20. The Committee had noted that the IRCTC has been fully operational from August, 2001 with the objective to upgrade the catering services of Indian Railways, development of food plazas at railway stations, promotion of domestic and international tourism and development of rail based tourism infrastructure, strengthening railways' linkages with travel intermediaries facilitating rail travel through internet based ticketing, electronic travel distribution system, provision of pure and safe packages, drinking water to rail users and establishment of value budget hotels at important railway stations. They were apprised that the IRCTC were providing catering/vending services through reputed caterers whose services are satisfactory. The Committee, however, had all doubts about the quality of services provided by the licenced caterers through IRCTC. They had desired to know the difference of quality of service before and after the IRCTC came into being. The Committee emphasized that the IRCTC should physically takeover catering needs of the customers, for which creation of this professional Corporation was made, instead of leasing/subleasing the same to private caterers with immediate effect.

21. In their Action Taken Reply, the Ministry of Railways have stated:-

“The decision to establish Indian Railways Catering and Tourism Corporation Ltd. was taken by the Union Cabinet on 23rd March, 1999 wherein it was decided that the catering activities of Railways whether departmental or franchisee, should be completely hived off to the proposed corporation alongwith the staff and the Railways should divest itself of this function. The major objective of IRCTC is to professionalise, consolidate and upgrade railway catering services through public private partnership and reduce liabilities of the Indian Railways.

IRCTC has initiated necessary action to standardize, modernize and ensure adequate quality of services through licensees and this effort will be an on going process.

After taking over of entire catering activities from Indian Railways, IRCTC will continue to man certain catering activities through departmental staff of the Indian Railways who will be taken over by IRCTC.

The emphasis of IRCTC will be to ensure proper level of services and quality to railway passengers and users”.

22. The Committee had expressed in their earlier Report doubts about the quality of services provided by licensed caterers through IRCTC. They had desired to know the difference of quality of service before and after the IRCTC came into being so that effective evaluation of the qualitative difference in catering service could be made. This issue, however, has not been addressed to by the Ministry of Railways in their Action Taken replies.

The Committee had emphasized that the IRCTC should itself physically take over the entire catering needs of the customers for which this professional corporation was set up instead of leasing/subleasing the same to private caterers. However, in their Action Taken replies the Ministry of Railways has merely stated that major objective of IRCTC is to professionalise, consolidate and upgrade railway catering service through public-private partnership and reduce liabilities of Indian Railways. This goes against the very purpose for which a professional corporation like IRCTC was constituted. They, therefore, strongly reiterate that IRCTC should physically take over catering needs of the customers.

COMPLAINTS AND SUGGESTIONS

(Para No. 220)

23. The Committee had noted that often the complaints of the traveling public went unheard by the Railways. They found that the complaints made by the passengers or VIPs or representatives of people were not registered in many cases. Even if the complaints were somehow registered, neither action is subsequently taken on the complaints nor their acknowledgement were made. They also found that suggestion books kept at stations and in trains were not even seen by the Railways. The Committee felt that it not only creates an opinion in the minds of people about the lackadaisical and callous approach of Railways but also it offends them away to other modes of traveling, wherever possible. The Committee had recommended that the complaints/suggestions made by the passengers, VIPs and the representatives of the people should invariably be registered and duly acknowledged in the trains or at the next station itself. They had desired that each and every complaint or suggestion should be taken up seriously by the Railways at sufficiently high level and dispose off expeditiously thereby reassuring the passengers to travel by train. The Committee had recommended that while dealing with the complaints, the Railways should consider the suggestions made therein to make improvements in Railway facilities and services.

Many a occasion, the Members of the Committee raised serious lapses of the Railways' working in their meetings, which Railway Board fail to comply till the finalisation of the Report. Even to the extent that the queries required to be complied by Railway Board has not come forthwith. The Committee had expressed their concern with the attitude of the officials and disapproved of this evasive attitude of the Railway Board.

24. In their Action Taken Reply, the Ministry of Railways have stated:-

“Indian Railways have a well organized Public Grievance Redressal machinery which takes prompt action on the complaints received on the railway system. To help the passengers register their complaints, complaint cum suggestion books are maintained at all important public interface points such as station office, booking offices, goods-sheds, trains, reservation offices etc. The acknowledgement of the complaint/suggestion is given to the passenger at the point of registration of complaint/suggestion and each complaint/suggestions is investigated/examined properly and reply sent to the passenger. Wherever system corrections are called for action is taken to undertake the same and wherever misdemeanor/wrong action is found on the part of the staff then suitable disciplinary or administrative action is taken as warranted in the particular case”.

25. The Committee in the aforesaid para had raised concern about the evasive attitude of the Railways towards the complaints of the traveling public which more often than not go unheard. So much so, on many a occasions the Members of the Committee had raised serious lapses of the manner in which Railways worked, even as these complaints have remained unattended. However, as per the Action Taken replies, the Ministry seems to be satisfied with the prevailing status-quo and feels that no further action is required on their part. The Committee are extremely concerned and dissatisfied with the reply of the Government. To state that the Railways have a well organized Public Grievance Redressal Mechanism and that complaints cum suggestion books are maintained at all important public interface points is only stating the obvious. Their concern had been how well these machineries and complaint cum suggestion books have been able to serve public good. The Committee would like to know how many of the complaints filed have been successfully disposed off satisfactorily and how many of the suggestions received have been taken note of as well as action taken thereon. They would also like to know

statistics pertaining to disciplinary/administrative action taken against the erring staff. They would also desire that the Railways should change their evasive and indifferent attitude towards complaints and redress the grievances of traveling public promptly and satisfactorily.

CHAPTER – II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

RATIONALISATION OF PASSENGER FARE STRUCTURE **(Para No. 199)**

The Committee are disturbed to note that total traffic earnings for the year 2002-03 work out to Rs.41,284 crore as against the budgeted target of Rs.41,488 crore, that is, a reduction of Rs.204 crore. They are even more perturbed to find that Passenger traffic has shown a decline of more than 3% by the end of December 2002 and therefore the passenger earnings in the Revised Estimates (2002-03) have been assessed at Rs.12,730 crore, which is Rs.720 crore less than the Budget Estimates. The Committee opine that this is a very alarming situation more so as this decline is mainly in the most popular class i.e. ordinary second class travel, the segment which is most susceptible to price hikes and also the beneficiary of bulk of cross-subsidization.

The Committee are however, of the view that though the present budget has not proposed any hike in the urban and suburban season tickets and short distance passenger train segments, more analytical and specific efforts are required to be taken by the Railways to attract traffic which has been lost to alternative modes of transport. Therefore, the Committee recommend that rationalization of Passenger fare structure should be made more comprehensive and competitive in all classes vis-à-vis road and air transport without compromising with quality of service to be provided.

REPLY OF THE GOVERNMENT

In the Railway Budget 2002-03, the fare structures of Mail/Express, Ordinary, Passenger trains and Monthly Season Tickets (MST) were rationalized. This year, in the Railway Budget 2003-04, the fares of Shatabdi and Rajdhani Express trains have been rationalized linking their

fares to the rationalized fares of Mail/Express Superfast trains. Now the rationalized basic fares of different classes of Rajdhani Express and Shatabdi Express trains are lowered to make them more competitive. The basic fares of Jan-Shatabdi Express trains have also been reduced by reducing their make-up over Superfast Mail/Express fares from 10% to 5%. Further, the catering services on these trains have also been made optional, to further reduce the total chargeable fare.

In order to make the fares of certain higher classes of travel more competitive the concept of reduced fares for the non-peak period has been introduced. As an experimental measure, the basic fares of AC First Class and AC 2-Tier in all Rajdhani Express trains would be reduced by 10% for the journeys performed during the period 15th July 2003 to 15th September 2003.

Adjustment of passenger fares for different classes is undertaken keeping in view various factors including the cost of service, value of service, prevailing socio-economic conditions, the need to generate additional revenue in order to meet the overall increase in the working expenditure and to provide for the development activities of the Railways. However, rationalization of passenger fares is a continuous process and the Committee's recommendation will be kept in view while further rationalizing the fares.

MEASURES TAKEN TO AUGMENT THE RAILWAY TRAFFIC

(Para No. 200)

The Committee observed that the Minister of Railways has declared the 150th year of Railways as 'Customer-Satisfaction Year' where the emphasis would be on safety, security, punctuality and cleanliness. They are of the view that a basic infrastructure is a prerequisite for providing any additional facilities to the customers. For instance installation of Coaching Operation Information System (COIS) should be installed before committing about punctuality of trains. They note that even without any basic preparation, a declaration of Customer Satisfaction Year has been made hastily. The Committee stress that basic

infrastructure should have been developed first and foremost. They are also not convinced with the allocations made for the purpose, as no separate provision has been made to undertake any work in this regard. So far as Passenger Amenities are concerned, the allocation earmarked is Rs.205 crore this year (2003-04) vis.-a-vis. Rs.200.1 crore last year (2002-03), which is not a substantial increase to execute the amenities to be provided to the passengers during the Customer Satisfaction Year. The Committee emphasise that since the year has been declared as the Customer Satisfaction Year, the Railway should take drastic steps to bring about significant and noticeable difference in the quality of their services in the trains/stations such as (i) providing phone facilities (ii) availability of medical attention (iii) availability of pure drinking water (iv) clean toilets (v) proper information and enquiry system (vi) proper announcement system (vii) music system (viii) general maintenance and cleanliness in coaches, waiting rooms, platforms and stations if necessary, through outsourcing (ix) proper ticketing system (x) proper renovation and repairs of coaches (xi) beautification like painting of the stations and its surrounding areas (xii) earmarking separate seats for the physically handicapped passengers etc. They stress that these measures, which would also act as a catalyst to augment the railway traffic, should be taken on war footing so that the customers at a glance notice the difference in railway functioning and the quality of services being provided by the Railways during this Customer Satisfaction year. The Committee also desires that the respective General Managers (once in a year) and Divisional Regional Managers (twice a year) should visit all stations under their jurisdiction to see the implementation of these measures.

REPLY OF THE GOVERNMENT

The development of infrastructure is a continuous process in order to improve the standard of amenities and facilities provided to the customers. The main objective behind declaration of 2003-04 as 'Customer Satisfaction Year' is to focus on making the customer's travel by rail more comfortable, hassle free and enjoyable. The items pointed out are receiving due attention. Though, it may not be possible to complete all the required works to achieve this objective

in a single year, the endeavour is to draw up an action plan on important aspects related to customer satisfaction as mentioned by the Committee and work according to this plan so as to complete the infrastructure requirements as early as possible. The allocation of Rs.205 crores for passenger amenities during the year 2003-04 is considered adequate considering the expenditure done during the previous year.

DECLINING SHARE OF RAILWAY VIS-À-VIS ROAD TRANSPORT

(Para No . 202)

The Standing Committee on Railways earlier in their Reports had expressed their concern regarding the declining share of Railways vis-à-vis Road transport in the movement of goods and even passengers over the years. In this regard they had noted that though freight movement all over India had increased manifold, Railways could not attract the same mainly due to capacity constraints on major trunk routes which carry the bulk of both passenger and freight traffic, inadequate provision for replacement of overaged assets, time and cost overruns in the execution of projects and last but not the least perspective planning and lack of professional marketing approach in competitive road transport and freight economy. The Committee find that the Ministry have rationalized freight structure to some extent viz. (i) no across the board increase in freight rates has been announced (ii) total number of classes have been reduced from 59 to 32 and would be revised to 27 subsequently (iii) ratio between the highest and lowest freight class has been reduced from 8.0 to 3.3 and would be further reduced to 2.8.

(Para No . 203)

The Committee are of the opinion that the aforesaid steps will surely help Railways in enhancing freight traffic. However, in order to draw more freight traffic and enhance their share vis-à-vis Road Transport, the Railways should also focus on – (i) capacity augmentation (ii) improvement of productivity (iii) enhancement of safety of rail operations (iv) introduction of door to door service

for freight movement (v) increased speed of freight trains (vi) laying of additional track alongwith the existing lines on congested routes for goods traffic (vii) running of shadow trains (viii) aggressive marketing to draw more traffic (ix) more computerized freight terminals (x) more marketing approach etc.

REPLY OF THE GOVERNMENT

“In Para 202 and 203, the Committee has noted the steps taken by the Railways to rationalize the freight structure but expressed their concern at the decline of rail share due to capacity constraints and certain other reasons. The competition from other modes of transport including road has significantly increased over the past few years and is likely to intensify with development of National Highways. In order to increase the rail-share of freight traffic, suggestions of the Committee have been noted and Railways have taken certain measures in this direction as follows:-

1.0 Replacement of overaged assets

The replacement of overaged assets in respect of track, bridges, Signalling, Telecommunication and rolling stock, had been affected due to inadequate availability of funds.

1.1 Tracks and Bridges

The funds available for track renewals had always been less than the requirements. As a result, the annual arising of track renewals could not be taken care of as they arose. A large kilometrage of track, therefore, got accumulated as overdue for renewal. As per the recommendations of the Railway Safety Review Committee (RSRC) Report – August 1999, a non-lapsable Special Railway Safety Fund (SRSF) of Rs. 17,000 crore, for liquidating arrears for replacement of assets within a time span of six years, has been set up in the year 2001-02.

An amount of Rs.6,818 crores (excluding inflation) has been provided for taking up overdue track renewal that existed as on 1.4.2001. With the setting up of the SRSF, it is expected that arrears of track

renewal, which stood at 16538 kms as on 1.4.2001, costing Rs. 6,584 crores, will get cleared by March 31, 2007.

1.2 Signalling and Telecommunication assets

Similarly, arrears of replacement of overaged signaling assets became overdue due to less allotment of funds under S&T Plan Head. With the setting up of the SRSF, arrears of replacement of overaged signaling assets were sanctioned at 1,494 stations as on 1.4.2001. The allocation has increased from Rs.113 crores under Depreciation Reserve Fund (DRF) in the year 1997-98 to Rs.470 crores under the SRSF in the year 2003-04. The allocation of funds for S&T assets needs to be increased to the order of Rs.600 crores per annum in coming years, to take care of replacement of works under progress and accruals arising every years.

2.0 National Rail Vikas Yojna

2.1 Based on the studies conducted by the “Long Range Decisions Support System (LRDSS), it has been decided to focus investments in the Railway network along the Golden Quadrilateral, connecting the metropolitan centers of Delhi, Kolkata, Chennai and Mumbai, and its diagonals over the next five years. To this end, a non-budgetary initiative called National Rail Vikas Yojna (NRVY) has been launched for enhancing the capacity of the rail corridors connecting the four metropolitan centers of the country. While Rs. 8,000 crores would be required to complete the project, only Rs, 3,000 crores would be provided in as Budgetary support. The remaining funds will be raised through private/public partnership.

2.1 The second component of NRVY is the strengthening of rail connectivity to the seaports and development of multimodal corridors to the hinterland. This would involve an outlay Rs. 3,000 crores over the next five year. For undertaking the projects under NRVY, a special purpose vehicle named Rail Vikas Nigam Ltd. (RVNL) has been incorporated on 24th January, 2003. RVNL would undertake resource mobilization, project development and execution of works.

3.0 Computerisation of freight movement

Railways have introduced the Freight Operation Information System (FOIS) to ensure on-line information regarding movement of freight trains. The system would enable rail users to get real-time movement status of their consignments and the likely time of delivery at the destination points. Phase-I of the FOIS project, known as "Rake Management System" (RMS), which tracks the movement of block rakes, has already been commissioned in June, 2001. With the commissioning of Phase-II of the RMS, it would also be possible to capture the movement of each and every wagon in the rake. Phase-III of the FOIS project called "Terminal Management System" (TMS), is expected to be completed by March 2005. With the help of the TMS, booking of freight traffic would be completely computerized. Booking of traffic for various terminals could be planned in a scientific way to optimize the use of the handling capacity of the goods terminals to the best advantage of the Railways as well as the rail users. Major customers would be linked electronically to the FOIS to track the transit details of their consignments and book their traffic.

4.0 Port Connectivity and Inter-modal transport

In view of the increase in international trade, the cargo arriving at the seaports is one of the major focus areas of Indian Railways. Concrete steps have been taken for strengthening rail connectivity of seaport and development of multi-modal corridors to the hinterland to increase the share of railways in transport. The Port of Mundra has already been connected to the Indian Railways network. Similarly, a Special Purpose Vehicle (SPV) has been created to provide rail connectivity to the Port of Pipavav so that the traffic handled at this port is also transported by Railways to generate additional loading and freight earnings.

5.0 High Speed goods trains

High speed goods trains, using state-of-the-art BLCA wagons with the permissible speed of 100 kmph, are being utilized for movement of

international containers. Special rolling stock has been procured by the Container Corporation of India (CONCOR) for this purpose. This has helped in reducing the transit time of freight trains and also enhancing container freight traffic. As a part of the project for strengthening of the Golden Quadrilateral, it has been planned to run freight trains at the increased speed of 100 kmph to reduce the speed differential between passenger and freight trains and thereby generating additional capacity.

6.0 Containerisation of cargo

Indian Railways had initiated the door-to-door freight services in the year 1966 with the introduction of container services. Since utilization of cargo and mechanical handling at terminals are an integral part of door-to-door freight business, the Indian Railways decided to cater to this segment by setting-up the Container Corporation of India Ltd. (CONCOR). A network of Inland Container Depots (ICDs) and Container Freight Stations (CFS) have been developed by CONCOR throughout the country. Inter-modal linkages between road and rail and effectively established by the presence of road hauliers, custom house agents (CHAs), freight forwarders etc. CONCOR has established a separate Domestic Division to attract larger volumes of inland traffic to rail by providing door-to-door services and aggregate piecemeal cargo into train loads. Introduction of high speed container trains and computerization of freight operations has further improved the quality of service and information to the customers.

7.0 Gauge conversion

Following the uni-gauge policy of the Railways, larger areas of the railway network are being brought under the Broad Gauge network to increase flexibility and efficiency of freight operations. It is planned to undertake 775 km of gauge conversion during the current year 2003-04.

8.0 Rationalisation of parcel rate structure

In order to simplify the booking procedure for parcel traffic and optimize the use of transport capacity available for carriage of parcels, the

rate structure for booking of parcel and luggage traffic has been rationalized. In place of the commodity-based rate structure, all commodities are now being charged uniformly based on the type of service.

9.0 Leasing of parcel services

With a view to maximize the utilization of the valuable space in brake vans of passenger carrying trains and to provide value added service to the rail customers. Schemes for leasing out of parcel space in front Brake Vans of trains, Parcel Vans and Parcel Express trains have been introduced. Under these schemes, the parcel space is leased out to logistics service providers by inviting open bids.

10.0 Time tabled freight trains

In order to provide assured services to the rail customers, Railways have introduced time-tabled Parcel Express trains between important cities for clearing parcel traffic. At present, such trains are being run between Delhi-Howrah-Delhi; Delhi-New Guwahati-Delhi; Delhi-Bangalofe-Delhi; Mumbai (LTT)- New Guwahat-Mumbai (LTT); Mumbai(LTT)-Shalimar-Mumbai (LTT); Chennai-New Guwahati-Chennai;; Nagpur-Tinsukia-Nagpur and Sealdah-New Guwahati-Sealdah.

Container Corporation is also running fixed-schedule freight trains between the major ports and its terminals. In order to retrieve the high rated piecemeal traffic moving by road, CONCOR has also introduced time-tabled trains called “CONTRACK”, which have become very popular.

11.0 Warehousing Schemes through private participation

In order to provide integrated seamless support service to the customers and to reduce their overall logistics cost, it has been decided to develop rail-side warehousing complexes at 22 locations as a joint venture with M/s Central Warehousing Corporation (CWC).

12.0 Incentives to Premier Customers

An incentive scheme has been introduced for the Premier Customers of the Railways, generating originating freight earnings of over Rs. 25.00 crores per annum for traffic originating from the sidings, to help them increase rail share of transport. Under this scheme, 2% freight rebate will be granted for net incremental earnings of every five crore rupees, over the previous financial year, from commodities placed in Class-135 and above.

13.0 Station to Station rates

Higher delegation of powers to grant freight rebate under “Station-to-Station rates scheme” have been granted to zonal railways to attract and retain traffic on specific streams. The rate reducing powers have been enhanced up to maximum of 24% depending upon the type and classification of commodity and the volumes of traffic offered and other operational and commercial considerations.

14.0 Tariff Policy

In the current competitive environment, it would be the endeavour of the Indian Railways to make its freight rates competitive. As noted by the Committee, the initiatives to rationalize the freight structure in the last two Railway Budgets for the years 2002-03 and 2003-04 are steps in this direction. Concerted efforts also are being made to control the working expenses on the Indian Railways so as to reduce the pressure on resource mobilization through increase in the freight rates.

CHANGE IN THE CLASS OF TIMBER WASTE

(Para No. 204)

The Committee note that the Ministry of Railways have without any convincing reasons changed the Class of timber waste with prime log wood for manufacturing paper pulp from 110 to 130 in T/L resulting in increased in high freight rate for the timber waste. The Committee desired that the same may be

reviewed at the earliest in the light of Railway Board letter No. TCR/1015/96/14/Vol.-II dated 14.01.2002 w.e.f. 15.02.2002.

REPLY OF THE GOVERNMENT

As desired by the Standing Committee on Railways (2003), the Ministry of Railways have reviewed its decision to raise the classification of timber waste for manufacturing paper grade pulp from Class 110 to Class 130 with effect from 15.02.2002. The Ministry of Railways have decided to retain the uniform classification for timber, all grades of timber waste, wood pieces and firewood at Class-130 for trainload and Class-140 for wagonload.

The rationale for adoption of a uniform classification was to plug any possible leakage of railway's revenue through misdeclaration by unscrupulous elements. It is pertinent to mention that the total quantum of timber waste transported by the Railways and the freight earnings therefrom in the year 2002-03 was higher than the previous year despite increase in freight rates due to higher classification.

CONTAINER TRANSPORTATION BUSINESS

(Para No. 205)

The Committee find that freight traffic is decreasing in importance as the core competence of the Railways in moving bulk items in unit train is facing stiff competition by alternate modes such as coastal shipping, heavy duty trucks, conveyor belts slurry and oil pipelines. These are more cost-effective to the user and provide better services such as door-to- door delivery and less warehousing. They feel that the Railways should no longer wait and look for getting train loads of traffic in its sidings, instead they should be on a look out now even for meager transportable material.

The Committee recommend that a body, within the Railways, should be constituted to look into the business of container transportation. They emphasize that this body can exclusively focus on the parcel and small size cargo of the

small industries in every nook and corner of the country. It can have very short transit time between distant points in the country using the luggage and parcel space in mail and express trains. They suggest that the well spread out railway stations can be receipt and delivery points of the cargo. They also stress that the improved methods of communication can provide accurate information about the whereabouts of the parcels and exact time of the arrival of cargo to the customers. The Committee emphasize that in the present scenario of competition, the potential of such business is enormous and it would bring overall efficiency in transportation and fuel consumption apart from enhancing the revenue earnings of the Railways.

REPLY OF THE GOVERNMENT

1.0 Containerisation

The Committee has recommended for constituting a body within the Railways to look into the business of container transportation by Railways by focusing on parcel and small size cargo. It is advised that Railways have completely withdrawn from container business after formation of Container Corporation of India Ltd. (CONCOR).

In order to attract less than wagonload traffic moving for export/import, Container Corporation of India Ltd. (CONCOR) was set up as a Public Sector Undertaking (PSU) in 1989. Since then CONCOR is running fixed scheduled freight trains between the major ports and its terminals. For domestic traffic also a domestic wing of CONCOR was formed with a separate Director in 1998. At present, CONCOR is running approximate 45 trains of domestic piecemeal traffic every week on the routes like Tuglakabad – Tondiarpet, Tuglakabad – Whitefield, Tuglakabad – Sanat Nagar/Vijayawada, Tondiarpet – Shalimar, Tondiarpet – Tuglakabad etc. This traffic is also expected to grow further in the coming years.

2.0 Competition from other modes

Competition from other modes of transport including road has tremendously increased over the years and made an adverse impact on the share of the Railways. With the liberalization of economy, market scenario as well as the customer's requirement on the other hand has also undergone change. Speed and flexibility of responses to customer's requirement would give any business, the edge it needs to keep ahead of competition. Railways have geared up to respond to the challenges and are making all out efforts not only to retain the existing traffic but also to attract new traffic, both in bulk and non-bulk freight segments by adopting suitable strategies as under:-

2.1 Rationalisation of rate structure of Parcel and luggage traffic:

In order to simplify the booking procedure of parcel traffic and optimize the use of transport capacity available for carriage of parcels, the rate structure for booking of parcel and luggage traffic has been rationalized. In place of commodity-based rate structure, all commodities are now being charged uniformly based on the type of service.

2.2 Leasing of parcel services:

With a view to maximize the utilization of the valuable space in brake vans of passenger carrying trains and to provide value added service to the rail customers, schemes for leasing out of parcel space in the front Brake Vans of trains, Parcel Vans and Parcel Express trains have been introduced. Under these schemes, the parcel space is leased out to logistics services providers by inviting open bids.

2.3 Time tabled freight trains:

In order to provide assured services to the rail customers, Railways have introduced time-tabled Parcel Express trains between important cities for clearing parcel traffic. At present, such trains are being run between Delhi-Howrah-Delhi; Delhi-New Guwahati-Delhi; Delhi-Bangalore-Delhi; Mumbai (LTT)-New Guwahati-Mumbai (LTT); Mumbai

(LTT)-Shalimar-Mumbai (LTT); Chennai-New Guwahati-Chennai; Nagpur-Tinsukia-Nagpur and Sealdah-New Guwahati-Sealdah.

2.4 Container Corporation of India Ltd. (CONCOR), is also running fixed-schedule freight trains between the major ports and its terminals. In order to retrieve the less than wagon load traffic/piecemeal traffic moving by road, CONCOR has also introduced time-tabled trains called “CONTRACK”, which have become very popular.

2.5 Railside Warehousing Schemes

In order to provide integrated seamless services to customers and to reduce the overall logistics cost, a pilot project of rail side warehousing was operationalised at Whitefield, Bangalore by M/s Central Warehousing Corporation (CWC) in February, 2002. At Whitefield terminal, godown with capacity of 15000 MT is being built by CWC at their own cost. Another godown with capacity of 15,000 MT is being built by CWC at their own cost. While Railways saved the cost of construction and maintenance of godowns and common facilities like roads, lighting etc., additional revenue of around Rs. 20 crore per annum was generated. Encouraged by this project, Railways are entering into an MOU with the Central Warehousing Corporation, as its strategic partner, for development of similar integrated rail-side warehouse complexes at 22 locations. This scheme is aimed of providing value-added services as well as aggregation of piecemeal, small size cargo so that Railways can attract additional cargo.

RATIONALIZATION OF THE RATE STRUCTURE FOR PARCEL AND LUGGAGE TRAFFIC

(Para No. 206)

The Committee note that the Ministry have proposed to rationalize the rate structure for booking of parcel and luggage traffic. They find that at present parcels are charged under seven different scales based on the type of commodity. The Ministry of Railways have proposed that all type of commodities,

including luggage will now be charged uniformly at the same rate, under four scales, depending on the types of service selected by the customer. The Committee are of the opinion that this proposal would simplify the booking procedure of parcel and luggage traffic and optimize the use of transport capacity available for carriage of parcels by different trains. They recommend that this proposal to simplify the procedures for booking carriage and delivery should be implemented with promptitude and be effective so as to show early and permanent results on freight and parcel traffic.

REPLY OF THE GOVERNMENT

The recommendations of the Committee have been noted and also advised to all Zonal Railways administration. The rationalized rate structure for the booking of parcel and luggage traffic has since been implemented with effect from 01.04.2003.

AVAILABILITY/ALLOTMENT OF RAKES **(Para No. 207)**

During the course of evidence the Committee had noted that the distribution of rakes has not been made in accordance with the principle of maintaining regional balance, so far. With the result huge amounts of cargo remains unlifted at the ports and transshipment centers leading to national loss. They also find that transparency is not maintained in availability and allocation of rakes, keeping the consignees in dark as to the time period involved in lifting of their cargo. The Committee had, therefore, recommended that transparency should be maintained in availability of rakes, priority of applicants and allotment of rakes should be computerized and displayed to the public at the Divisional Headquarters and in Newspapers so that the applicants may plan accordingly. The Committee felt that by maintaining transparency railway finances would also improve substantially.

REPLY OF THE GOVERNMENT

“Allotment of rakes is governed by rules enumerated in the Preferential Traffic Scheme. There is total transparency as indents are placed at depots., with details of commodity to be loaded, date of registration, etc, For ensuring equitable distribution of rakes as well as improving operating efficiency and reducing the unit cost of transportation, a quota system is being followed for each Zonal Railway on a monthly basis. This is based on the demand pattern on the Zonal Railways, requirement of empties for movement of Public Distribution System (PDS) and other essential commodities and requirement of empties for back loading in various Zones. The consignee is aware of the system being followed and has an approximate date on which a rake will be allotted to him. Railways also follow a system of restriction for locations where unloading is a problem, an accident has occurred en route affecting movement, or any other problem resulting in holding up of rolling stock. Movement, detention and requirement or rolling stock is monitored at the level of Division, Zone and Railway Board on a daily basis.”

SAFETY IN RAILWAYS

(Para No. 210)

The Committee feel that Safety is one of the most important aspects in the running of trains be it passenger trains or freight trains. They were informed that Ministry is likely to spend Rs. 433 core and Rs.1230 crore respectively under Railway Safety Fund for over bridge/underbridge construction works and level crossings and Special Railway Safety Funds for track renewals, bridge works, signaling and telecommunications and rolling stocks for the year 2003-04. They are satisfied that with the creation of the SRSF for clearing arrears upto April, 2002, replacement of over-aged assets is now assured. However, the Committee stress that the Ministry in the budget must ensure that ‘current arisings’ of replacement are also adequately provided for. Though they welcome reduction in the expenditure of the Ministry, they caution them against

making compromises in the quality of inputs for maintenance of coaches, wagons, tracks etc. The Committee recommend that proper and surprise inspections for maintenance of coaches, wagons and tracks from time to time are indispensable and should be made to ensure safety. In regard to the level crossing accidents, they suggest that the Ministry should take up grade separation and make provisions for gate signal on a continuous basis especially in unmanned Railway tracks so as to avoid serious security hazards to the trains. Though the Ministry have specified a number of steps to ensure safety in Railways, the Committee desire that these may be implemented promptly and in the right earnest to reinforce confidence among people about safe and comfortable travel in trains.

REPLY OF THE GOVERNMENT

To implement one of the accepted recommendations of Railway Safety Review Committee-98 (RSRC) a non-lapsable Special Railway Safety Fund (SRSF) of Rs.17,000/- crores has been set up with effect from 1.10.2001 to wipe out arrears in replacement/renewal of over-aged assets of track, bridges, signaling gears and rolling stock as on 1st April, 2001, and for some safety enhancement measures over a period of 6 years.

Net expenditure under Special Railway Safety Fund since October, 2001 is given as under:-

(Rs. in crores)

2001-02	2002-03	2003-04 (Upto July) Approx.	Total Net
1434.28	2486.32	595.84	4516.44

It may however be mentioned that the net SRSF outlay during 2003-04 is Rs. 2310.66 crore and not Rs.1230 crore as mentioned in the Committee's Report above.

The number of safety related assets replaced or renewed since 1.10.2001 upto 31.07.2003, under Special Railway Safety Fund are as under:-

Assets	2001-02 (1.10.01 to 31.03.2002)	2002-03 (1.4.02 to 31.3.03)	2003-04 (1.04.03 to 31.07.03)
Track	2490 Km.	3343 Km.	840
Bridges	280	496	107*
Signalling gear replacement	75 stations	169 stations	20*
Rolling Stock	159	315	20 Diesel Locos and 1 OHE car
Track Circuiting	363 locations	610 locations	55 locations*

* Up to 30.6.2003

The Committee's word of caution against making compromises in the quality of inputs for maintenance of coaches, wagons, tracks have been noted. Railway administration is committed to arrange spares of high quality as per specifications. Material procurement has been included in the Corporate Safety Plan (2003-13) in Chapter III on "Safety Policy Issues". One of the important stipulations is adoption of life cycle costing principle. System of periodic inspections is being followed to maintain quality of repairs of tracks, coaches, wagons, and locomotives. In view of their importance in overall management, inspections, periodical safety drives and safety audits have been incorporated in Chapter – VIII on "Human Resource Management and Development" of Corporate Safety Plan (2003-13).

The Committee's concern to make adequate provision for 'current arisings' has been noted. However, difficulties are being faced to make adequate allocation to tackle current arisings.

Some of the steps continuously taken to check level crossing accidents are:-

- (i) Proper and prominent Road Signs, Speed Breakers and Rumble Strips have been provided on Level Crossing Gates to caution the road users of existence of such crossings.

- (ii) To educate the road users about the faster speed of Mail/Express trains and other inherent dangers, while passing through unmanned level crossings, publicity campaigns are periodically launched through television, cinema slides, posters, talks on radio, newspaper and street plays. These campaigns are undertaken in various regional languages to reach the targeted people. Efforts are also made to involve the village panchayats and other local bodies in these campaigns.
- (iii) State Government have also been asked to exercise strict checks while issuing driving licenses, specially to drivers of tractors, trucks, buses and other heavy vehicles. Joint checks are also conducted to nab errant road vehicle drivers under the relevant provisions of the Motor Vehicle Act 1989.
- (iv) Whistle boards have been provided alongside the rail track on approach to unmanned level crossings. Periodic drives are also launched to check whether the train drivers are actually whistling from such whistle boards to the level crossings.
- (v) Prototype electronic audio-visual warning devices have been installed on a trial basis at some selected level crossing gates.
- (vi) Level crossings with a very heavy traffic density are also being progressively interlocked with signals on a planned basis.
- (vii) Telephones are gradually being provided at manned level crossing gates.
- (viii) Surprise checks and night checks are regularly conducted to check the alertness of level crossing gatemen.

COMPREHENSIVE POLICY ON SAFETY

(Para No. 211)

The Committee are of the opinion that the Railways have not been able to come out with comprehensive policy on safety and accountability at Board, Zonal and Divisional level so far. The Committee strongly recommends that the safety policy and accountability to public should be reflected in the 'White Paper on

Safety' to be brought out by the Ministry as announced by the Minister of Railway in his Budget Speech.

REPLY OF THE GOVERNMENT

'The White Paper on Safety' presented in the Parliament, covers safety performance of Indian Railways with special reference to the last 10 years. It also furnishes major policy decisions taken in regard to enhance safety and tackles the various issues related to fixed and mobile infrastructure, their replacement and modernization, complex and varied aspects of human resource development, preparedness for disaster management and investments on safety projects etc. These policy issues are deliberated in detail in the White Paper.

The specific issue of accountability for individual accident has also been raised in the White Paper. Pros and cons have been highlighted for punitive approach and reformative steps. It has also been projected that for continued neglect and grave system failures, higher management will, henceforth, be accountable, if adequate managerial inputs are found wanting.

Corporate Safety Plan (2003-2013) for Indian Railways has also been finalized and presented to the Parliament in August, 2003.

ANTI COLLISION DEVICES (ACD)

(Para No. 212)

The Committee observe that Anti-Collision Device (ACD), a micro processor based equipment developed indigenously to prevent collision is likely to be installed on locomotives, brake vans at stations and level crossing gates etc. A survey is proposed to be carried out over 10,000 kms. and ACD would be provided over 1750 route kms. during 2003-04 to accelerate the pace of the installation of ACDs. The Committee were informed that this was a new innovation of our country and the Railways have applied for patent in 128 countries of the world. The Ministry of Railways have also informed the Committee that Rs.50 crore have been sanctioned for induction of ACD facilities

in North Frontier Railway. They also submitted to the Committee that so far it has been tested upto 80% collision free effectiveness on tracks. The Committee are of the view that all tests should be carried out on ACD to ensure 100% collision free system before their induction. They feel that the Railways have inordinately delayed the application and execution of ACDs on different routes. However, they desire that this system should be installed on the Indian Railways as early as possible to project a picture of safe railway journey in the minds of the customers. The Committee would desire to be kept abreast of the progress in the matter.

REPLY OF THE GOVERNMENT

Anti Collision Device (ACD), a micro processor based equipment developed by M/s. Konkan Railway Corporation Ltd. to prevent collusion. The steriotype of this device has so far been applied to various tests and trials. Extended field trails were conducted on Jalandhar – Amritsar section of N. Railway from 15.8.2003 to 20.1.2003. Based on the results of the trails, certain improvements are considered necessary. These have been taken up in hand.

Following works of ACD have been sanctioned on Indian Railways:-

S. No.	PB No.	Name of Work	Cost (in Crs.)
1	NF163	Northeast Frontier Railway-Provision of Anti Collision Device	50.0
2	Dem-2 SR1	Survey for Anti Collision Device (ACD) on 750 Kms on non-electrified section of South Central Railway	1,455
3	Dem- SCR1	Survey for Anti Collision Device (ACD) on 750 Kms on non-electrified section of South Central Railway	1,34
4	SR354	Provision of ACD on Ernakulam-Shoranur-Palghat-Erode-Chennai & Bangalore-Jolarpettai-Chennai section of Southern Railway.	54.23
5	SCR 309	Provision of ACD on Vasco-Madgaon-Londa-Hubli-Guntakal-Renigunta section of South Central Railway	51.98

6	NR 336	Provision of ACD on Jalandhar-Amritsar section of Northern Railway	15.73
7	NR 335	ACD route survey on 10,000 RKms over Indian Railways	16.25

The current status of implementation of Anti-Collision device is as below:

- a) ACD survey and deployment on the pilot section of NFR (approx 1800 RKms) has been taken up and will be completed during 2004-05 incorporating all the improvements found necessary in the extended field trails.
- b) Survey estimates for Southern and South Central Railway have been sanctioned. Survey have started on SCR and will be taken up on SR very soon (1641 RKms) and completed. All preparatory activities shall also be completed and kept in full readiness and deployment of ACD in these two sections will be taken up as soon as NFR pilot section is successfully completed so that all further improvements considered necessary as a result of the experience gained on NFR are incorporated on SR and SCR.

CHECK ON TICKETLESS TRAVEL
(Para No. 215)

The Committee had found that there is substantial amount of revenue leakages in the form of ticketless travel or fake tickets. They also found that ticket checking system has substantially deteriorated and touts are on increase as passengers, especially during the peak seasons, are unable to get reservations in some trains, even when the booking is done a month before the date of travel. The Committee had stressed that all out efforts viz. (i) improvement in vigilance system (ii) surprise checks by senior officers (iii) adequate number of ticket windows at stations (iv) more open ticket counters in the cities (v) no advance reservation for short journey i.e. upto 200 kms. should be made to plug leakages and check this widespread menace. They also advise the Ministry that punitive action be taken in case a Railway employee is found to be conniving with the touts. The Ministry should also take stern action against

the employees causing harm to the Railway Property or misusing it. The Committee had strongly recommended opening up PRS Centres at non-rail heads District Head Quarters where District Administration provides free accommodation to the Railways.

REPLY OF THE GOVERNMENT

The number of preventive checks conducted by Vigilance in mass contact areas during the last three calendar years and the number of staff taken up under disciplinary action for various irregularities are given below:-

Year	No. of checks conducted in Mass Contact Areas	No. of staff taken up
2000	25,840	8,289
2001	22,637	6,038
2002	23,783	6,686

As would be seen from the number of staff taken up under Disciplinary & Appeal Rules that all out efforts are being made to plug the leakage of revenue through ticketless travel as well as to keep the touting activities under strict check.

As per the extant policy on providing computerized reservation facilities at non-railhead District-Headquarters, State Government provides the built-up space free of cost. As on 30.07.2003, computerized reservation facilities have been provided at 413 District Headquarters. Another 61 District Headquarters have been sanctioned with these facilities and work is under way. The work for providing computerized Passenger Reservation facilities at remaining district Headquarters will be taken up in phased manner depending upon availability of funds.

INTERNAL RESOURCE GENERATION & DEPENDENCE ON IRFC

(Para No. 216)

The Committee were informed that the Indian Railway Finance Corporation (IRFC) was set up in 1986 to partly finance plan outlay of the Railways by raising money from the market and meeting the developmental needs of Indian Railways. They were also informed that gross asset value of rolling stock leased/sub-leased by IRFC to the Ministry of Railways till 31st March, 2002 is Rs.23,874 crore. During the oral evidence, the Committee were apprised that the Ministries are not permitted directly to borrow from the market. They were also intimated that the cost of money or the interest paid was higher than the dividend rate. The Committee had noted that there is a steady decline in contribution of internal resources to the annual plan expenditure resulting in increased reliance on market borrowings. They found the budget (2003-04) has announced several measures to raise additional resources. They felt that the Ministry should take some tough measures to restore the revenue generating potential of freight business and make further efforts to enhance freight business. Simultaneously they should also reduce the losses incurred in passenger business.

The Committee had cautioned the Ministry against excessive borrowing through IRFC to meet the growing demand for investment in rolling stock, maintenance of plant machinery and replacement of overaged assets. They desired that the Ministry should instead make all out efforts to enhance their internal generation of funds through prioritization of projects and by completing near- completion/last mile projects so that they start remunerating the Railways and reduce their dependence on market borrowings. The Committee had emphasised the strategies for reducing input cost vigorously and liberalise existing policies and guidelines to attract private investments in development plans. They hoped that the Ministry would pursue these strategies aggressively so that resources become available to fully service their renewal programmes. They had also recommended that the Ministry should explore and pursue non-

traditional sources of earnings such as commercial utilisation of their land and air space etc.

REPLY OF THE GOVERNMENT

As regards funding of projects, it is mentioned that a number of initiatives have been taken in the past two years to generate resources other than budgetary support, which has improved the availability of resources. These include public/private partnership, sharing by State Government, funding from Ministry of Defence, additional budgetary support for National Project and likely non-budgetary investment in National Rail Vikas Yojana. With these efforts, the availability of resources for the projects have increased considerably over the previous years. An exercise has also been undertaken for prioritization of projects keeping in view the present trend of resources. Accordingly, the projects have been identified for completion in X and XI plan periods and the prioritization has been submitted to CCEA as desired by Planning Commission.

Commercial development of railway land/air space has been taken as one of the non-tariff measures to generate revenues for the Railways. 62 sites having commercial potential, have been identified and market feasibility study undertaken and market survey completed in 46 cases. Action has been initiated on the completed market surveys and Bids finalized for 7 sites. So far Rs. 4.0 crore have been realized from property development.

It is also proposed to constitute an Authority – Rail Land Development Authority (RLDA) under the control of Ministry of Railways, through amendment to Railways Act, 1989, to undertake all tasks relating to property development.

APPOINTMENT OF CATERERS FOR THE IRCTC

(Para No. 219)

The Committee were informed that appointment of caterers for the IRCTC were based on two packet system, that is, in first packet their credentials, experience and particulars etc. are recorded and screened, thereafter bids of suitable candidate are considered. They were unhappy with the prevailing system of selection of caterers to the IRCTC. They emphasize that the professional education qualification in catering and hotel management etc. alongwith the bids should be the basic criteria for selection of caterers. They desire that the Ministry of Railways must adopt a more professional approach in selection of caterers to the IRCTC so as to provide the best of services to the customers.

REPLY OF THE GOVERNMENT

As per IRCTC's catering policy, reputed catering organization are empanelled with IRCTC for various projects such as Food Plazas, Rajdhani/Shatabdi Express trains, mail/Express trains & management of Refreshment Rooms at railway stations. Besides the criterion viz. annual sales turnover, net worth, experience in catering business, the reputed catering organizations should have at least 10 personnel (for Rajdhani/Shatabdi express trains), 20 personnel (for Food plazas) & 5 personnel (for refreshment rooms) on permanent rolls holding professional qualification and training in hotel management/catering from reputed institutes. They should have a good quality control mechanism and an adequate infrastructure to manage proper catering services to the passengers. The selections criteria adopted by IRCTC is quite professional wherein only reputed catering organizations are empanelled which are having experienced staff and more professional approach.

IX & X PLAN ALLOCATIONS

(Para No. 222)

The Committee are distressed to note that physical performance achieved during the IX Plan period especially under Plan Heads namely New Lines, Gauge Conversion and Doubling has not been commensurate with the financial allocations made. It is also noteworthy that the share of Plan funding from external sources vis-a-vis internal resources has increased from 24% in 1997-98 to 43% in 2001-02 whereas the internally generated resources have witnessed a decreasing trend from 42% in 1997-98 to 20% in 2001-02. Moreover, a candid fact is that all the five Annual Plans under IX Plan had to be cut short at the revised stage primarily due to lower materialization of internal resources. As far as the X Plan is concerned, the Ministry of Railways have submitted before the Committee that the Planning Commission has adhered to the physical targets as proposed by the Working Group of Railways whereas they have lowered the financial targets. The Ministry of Railways have further submitted that they have represented to the Planning Commission for restoring the originally envisaged and proposed financial targets by the Working Group and the final outcome will be known only when the X Plan document is laid in the Parliament. The Committee, having studied the subject in-depth, are of the view that the Railways must invariably show some tangible results on physical plane otherwise their credibility will be at stake. This view can be further strengthened with the fact that the Railways have not been able to achieve physical performance even when the share of funding the Plan from the General Exchequer has enormously increased to the level of 57.42% in 2003-04. Therefore, this Committee cannot help but desire that the Ministry must not spare any stone unturned to save their credibility as far as their performance is concerned. They further desire that all on-going projects must be completed in a time bound manner as in case of Konkan Railway. They also stress that paltry/token allocation of funds to projects be discouraged.

REPLY OF THE GOVERNMENT

The observation of the Committee has been noted for guidance. Railways are taking all possible measures for increasing efficiency, reducing expenditure, attracting capital for much needed investment in infrastructure and for increasing revenue. During IX Plan, there has been a shortfall vis-à-vis targets under plan-heads Gauge Conversion and doubling. The shortfall vis-à-vis target under above plan-heads is, however, mainly on account of inadequacy of resources for the entire shelf of projects. as against a requirement of an investment of over Rs.1000 cr. Per annum under New Lines, the average yearly availability during IX Plan was less than Rs.600 cr. Similarly, under Gauge conversion and Doubling, as against the requirement of about Rs.1000 cr. and Rs.800-900 cr. per annum (considering the shelf of projects), the availability during IXth Plan was only about Rs.700 cr. under Gauge Conversion and less than Rs.500 cr. under Doubling. The internally generated resourced did witness a decreasing trend in the years 1997-98 to 2001-02. This was mainly on account of the surge in Railways' working expenses consequent to the implementation of the recommendations of the Fifth Central Pay Commission, which caused the growth of working expenses to out-strip the growth of earning. The downward revision of the Annual Plans in these years has also been contributed to by the reduce in market borrowings. For the Xth Plan the Working Group on Railways had proposed a total plan size of Rs.64687 crores, inclusive of SRSF which comprised Rs.40615 crores from General Exchequer (including contributions towards SRSF and Diesel Cess) and Rs.24072 crores for Internal and Extra Budgetary Resources (inclusive of Railways contribution from passenger safety surcharge towards SRSF). The Planning Commission has approved a plan size of Rs.60600 crores with contribution from General Exchequer of Rs.27600 crore and Internal and Extra Budgetary Sources of Rs.33000 crores. The Ministry of Railways has represented to the Planning Commission for a restoration of the proposed plan size of Rs.64687 crores. The Planning Commission has

maintained that since the entire allocation from the General Exchequer had been distributed there was no further scope of increasing the Gross Budgetary Support for the Xth Plan. However, as the fund outlays are operationalised through the Annual Plans, the actual Plan outlay would be made as per the Budgetary resources available during the particular year. For the year 2002-03, the first year of the Xth Plan, the physical targets for New Lines, Gauge Conversion and Doubling along with actual achievements are as below:-

	<u>Target (2002-03)</u>	<u>Actual (2002-03)</u>
New Lines	214	178
Gauge Conversion	542	830
Doubling	250	194

To rationalize the allocation of funds to projects, from the Railway Budget 2002-03 onwards, the allocation of funds to projects has been based on a clear and transparent formula. This has been based on the area of the State, the population and the throw forward of projects in States. Further, from 2002-03 onwards, in pursuance of a decision taken by the Government, no new project is being sanctioned, without availing of the requisite clearances. It is expected that with these initiatives and with focused financial allocations to Railways projects, the progress of New Lines, Gauge Conversion and Doubling would be concomitant with the targets with the targets fixed for the entire Xth Plan period.

ANNUAL PLAN 2002-03 AND ANNUAL PLAN 2003-04

(Para No. 223)

The Plan allocation for the year 2002-03 has been revised to Rs.12,315 crore from Rs.12,330 crore, which does not indicate any substantial variation. However, had the Ministry of Railways not received an additional amount of Rs. 450 crore under Capital and Special Railway Safety Fund, the revised Plan size would have been below Rs.12,000 crore. Moreover, the distressing fact is that the outcome of internal generation of resources has witnessed a volatile trend affecting the performance of the Railways to a large extent. The Plan allocation

for the year 2003-04 has been estimated of the order of Rs.12,918 crore, which is 4.8% higher than the previous year's allocation. Out of the total outlays of Rs. 12,918 crore, Rs.6577 crore (57.42%) have been provided from General Exchequer. Again the proposed financial targets from internally generated resources have been estimated at Rs.2,630 crore (20.36%), which causes concern to the Committee since the actual realization from internal resources has not been satisfactory over the last few years. Therefore, the Committee are constrained to note the lower realization of internal resources and hope that the Railways will exert their all concerted efforts to achieve both financial and physical targets envisaged for the year 2003-04.

REPLY OF THE GOVERNMENT

Railways have taken note of the concern expressed by the Committee regarding realization of internal resources during 2003-04 and achieving financial and physical targets for the year 2003-04. To meet the target of Internal Generation, the Railways have taken a number of steps to improve the earnings and reduce expenditures as enumerated below:-

- (a) Booking of traffic in block rakes is being permitted from one originating station to a combination of two destination points and vice-versa.
- (b) 2-point block rakes are now being granted the benefit of trainload rate for the entire distance of transportation on end-to-end basis.
- (c) Assignment of a trainload Class on stage lower than its wagon load Class for any commodity which has only a wagon load Class.
- (d) Delegation of powers to the General Managers of Zonal Railways to quote concessional rates between specific pairs of stations to retain and attract additional traffic to rail.
- (e) Introduction of an incentive scheme for the Premier Customers, generating freight earnings of more than Rs.25 crores per annum for traffic originating from the sidings, to help them increase rail share of transport. Under the Scheme, a freight rebate of 2% for

every Rs.5 crores of net additional originating freight earning would be granted in addition to any other freight concession availed by them.

- (f) “Mini Rake” Scheme for booking of consignments at train load rates even for smaller rakes consisting of 20 wagons carrying approx. 100 tonnes for short leads up to 300 Kms.
- (g) Rationalization of the charging of freight for all traffic booked upto 90 Kms through a scheme of graded concessions.
- (h) Warehousing Schemes through private participation in order to provide integrated services to customers and to reduce the overall logistics cost.
- (i) High speed goods trains, using state-of-the-art BLCA wagon with permissible speed of 100 kmph, are being utilized for movement of internal containers with reduced transit time of freight trains.

Measures to reduce expenditure

To reduce expenditure, the Railways have decided to right size its work force in order to reduce the expenditure on wagons and pensionary liabilities

In order to contain the energy charges being paid by Railways to State Electricity Boards, direct procurement of powers from NTPC and other Central power generating agencies has been started. Besides, Railways has signed a MOU with NTPC for setting up Captive Power Plans for Railways. A site for construction of a 1000 MW Power Plant has already been selected.

To reduce losses being sustained on un-economic branch lines, Railways has issued the instructions for closure/dismantling of 21 un-economic branch lines out of a total of 115 branch lines identified as un-economic. The Railways is also exploring the possibility of offering the un-economic branch lines for running by private operators.

The Railways would through the above measures make concerted efforts to realize a targeted internal resources for 2003-04. Accordingly, it is expected that physical of activities based on internal resources would be met. For activities financed from General Exchequer, it is expected

that the physical targets would be met, subject to the allocation from General Exchequer remaining unmodified during the year.

FIXATION OF PRIORITY OF PROJECTS

(Para No. 225)

Given the unmanageable shelf of all sanctioned infrastructural projects, the Ministry first time prioritized only New Lines and Gauge Conversion projects in November, 1998 in different categories based on their need and justification. However, the Standing Committee on Railway could not get convinced over the way the categorization/prioritization was done by the Ministry. Moreover, the prioritization of projects has been done category-wise and no inter-se priority project-wise has been fixed. Keeping in view the multiple sources of funding of the already ongoing projects, it becomes quite expedient on the part of the Railways to fix inter-se priority project-wise so that realistic results may be achieved in synergic and cost-effective way. Therefore, the Committee cannot help but recommend to the Ministry of Railways to accord due consideration to review their existing priority fixation procedure and perception. They also recommend that this exercise for re-fixation of priority of projects be taken-up for all infrastructure projects being funded from Budgetary Support.

REPLY OF THE GOVERNMENT

As already mentioned in reply to Para 216, reprioritization exercise has already been undertaken and projects have been identified for completion in X and XI Plan keeping in view the trend of availability of resources and the additional resources likely to be generated through various initiatives undertaken by the Ministry.

JOINT VENTURE WITH NTPC

(Para No. 228)

The Committee note that the Ministry of Railways have signed a Memorandum of Understanding with NTPC for the setting up of a captive Thermal Power Plant and the project committee had selected Nabinagar for setting up a 1000 MW Thermal Plant which would take 3-4 years for its commissioning. A Joint Venture Company in which Railways will have 51% equity is likely to be formed during 2003-04 for implementation of the scheme. Railways shall exclusively use the electricity generated through this Joint Venture Captive Power Plant. They find that the expected cost of production of this project would be Rs.2.60 per unit as against Rs.4.30 per unit provided by State Electricity Boards at present. The Committee are of the opinion that this would give tremendous benefit to the Railways in monetary terms. While appreciating the move, the Committee emphasize that the Railways should explore for setting up of more such projects in other parts of the country as well.

REPLY OF THE GOVERNMENT

On successful completion of 1000 MT Thermal Power Plant at Nabinagar, Railways shall explore the possibilities for setting up of more such Captive Thermal Power Plants in other part of the country subject to techno-economic feasibility.

CHAPTER – III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT REPLIES

MEDICAL FACILITIES IN RAJDHANI/SHATABDI EXPRESS TRAINS **(Para No. 201)**

The Committee note that persons traveling from far-flung areas suffering from serious ailments travel in long distance trains/limited stoppage trains such as Shatabdi/Rajdhani and other superfast trains for their treatment in Metro cities having high-tech medical facilities. In the absence of non-availability of specific coach for these patients a lot of inconvenience and discomfort is faced by the patients and other adjacent passengers especially in sharing civic amenities. They also note with concern that due to non-availability of medical aid in the running trains, patients with serious and chronic ailments suffer the most and at times it is also fatal. The Committee, considering the gravity of the situation, therefore, recommend that the Railways should arrange a special coach adequately equipped with life saving devices, medicines including qualified doctors and nursing staff in the aforementioned trains to attend serious patients on board, in case of emergency.

REPLY OF THE GOVERNMENT

The matter has been examined. Seriously ill persons suffering from conditions such as severe heart disease, stroke, cancer, renal failure, unconscious/comatose condition, etc. require wide range of equipment and expertise based on the ailment/condition. In fast moving trains, emergency, life saving procedures, such as endotracheal, intubations, cardio version, ventilation or even a procedure like starting an IV drip cannot be initiated or implemented to support and sustain life. As such management will be very difficult and unsatisfactory, so provision of medical teams may not provide any additional benefit to such needy patients and at times, can even be counter productive.

To meet the needs of passengers, who may suddenly develop medical conditions requiring medical attention, facilities are already in vogue to send advance messages to call for a doctor to attend on a passenger on board well before its stoppage at station. At times the sick passengers are detained at the earliest opportunity at a suitable station so that a ground medical team can take over. The ASM at each station has the particulars of medical facilities available in the vicinity along with particulars such as distance from station, telephone numbers, details of facilities available etc. so that the traveling person in an emergency can avail of these facilities.

Now doctors are extended 10% concessions in the train fares with an expectation that they would render service in emergency, if necessary, to fellow passengers. The railways will not be able to send exclusive medical teams in the trains for rendering first aid.

Provision of an extra coach with medical teams and attendants, long distance trains, as an ongoing facility is considered not feasible.

DECENTRALIZATION/DELEGATION OF POWERS

(Para No. 208)

The Committee find that Zonal Managers have been given additional discretionary powers. They are of the view that this would help the officials to take immediate and prompt business decisions, on the spot, to pick up opportunities available in the field. They are hopeful that the additional powers alongwith freight rationalization would definitely enhance the freight earnings of Railways as even the smallest of opportunities could be fruitfully utilised. The Committee, however, suggest that proportionate additional financial powers should be delegated to Divisional Regional Managers also, with proper check, to draw more and more traffic at field level itself. They also expect that this decentralization or delegation of powers would give the desired results.

REPLY OF THE GOVERNMENT

The Railway Administration at the Zonal level have been delegated powers, under section 32 of the Railways Act 1989, to quote concessional rates between specific pairs of stations in order to 'retain' and 'attract' traffic to rail. These powers had recently been enhanced and the revised delegation envisages the grant of concessions in freight ranking from 10% to 24% depending on the classification of the commodity and offer of traffic for transportation by rail. Several customer-friendly provisions have also been incorporated in the liberalized scheme for granting station-to-station rates. As these powers are exercised by the General Managers as per the proposals duly examined by the Divisional Offices, it is felt that delegation available at the zonal level, as per the Railways Act serves the objective of the scheme.

VIGILANCE ON THE CATERERS AND THEIR SERVICES

(Para No. 218)

The Committee have observed that during the train journeys, the IRCTC caterers at times provide poor quality and unhygienic food, no water or impure water, bed rolls, bed sheets and pillow covers which are not only dirty and soiled but also torn and not usable by the customers and passengers. Apart from this, the behaviour and conduct of the caterers are rude and discourteous towards passengers. The complaints of the suffering passengers fall on the deaf ears of the caterers, who behave according to their whims and fancies. They find that in case the aggrieved passengers make a complaint to the conductor or TTE, who is a Railway employee and a representative of Railways, is unable to do much as he is not empowered to take any action against the offenders. In fact, many a time he too has to face the brunt of the caterers. The Committee feel that the TTE on board should be given powers to take some action against the caterers and provide relief to the customer(s). The complaints of the customers and the TTE against the caterer should be dealt with seriously subsequently so that the same is not repeated in future. The Committee also recommend that surprise

visits from time to time and inspections should be made by senior officers in the trains to keep a vigilance on the caterers and their services.

REPLY OF THE GOVERNMENT

IRCTC had appointed 4 agencies of international and national repute viz. SGS Indian Pvt. Ltd., Acumen Management services, international Standard certifications and Expert Inspection Council for conducting detailed inspection on board trains, at Railway stations, base kitchens and other catering facilities on an all-India basis during last year. These agencies were also undertaking detailed micro biological food testing and water analysis for ensuring proper process, quality and hygienic standards. In the current year, following reputed agencies have been appointed:-

1. KPMG
2. FRESH
3. Vimta Labs

Besides the above food audit inspections, IRCTC officials as well as Senior Railway officials make surprise checks. Special drive for conducting checks are also conducted. Railway Food inspectors are also collecting food samples under quality control and P.F.A.

Stringent conditions have been kept in the terms and conditions for award of license by IRCTC to ensure that nutritious and hygienic food is supplied to the passengers. Following standards have been stipulated in the Food Safety and Hygienic manual issued to the licensees by IRCTC:

- Purchase and procurement of raw material
- Delivery area
- Receipt of good and storage of goods
- Correct use of refrigerators
- Avoidance of cross contamination in refrigerators
- Cutting and dressing
- Food preparation
- Holding of cooked food
- Packaging of food

- Water
- Sink
- Hand washing facility
- Food equipment
- Avoidance of cross contamination during food preparation
- Personal hygiene
- Cleaning
- Pest control
- Kitchen structure
- Disposal of waste
- In – house audit
- External audit

IRCTC provides complaint/suggestion book to the catering licensees. Every month licensee has to present these complaint/suggestion books to IRCTC office along with the remarks of the passengers, if any. On the basis of complaints/suggestions of the passengers, IRCTC takes suitable corrective/punitive action.

Since the inception of IRCTC, following are the details of public complaints received and action taken thereon till 31st March, 2003.

Public complaints

	Head	No. of complaints
	Overcharging	3
	Misbehaviour	2
	Quantity	2
	Quality	43
	Hygiene	2
	Miscellaneous	12

Action taken

Till date IRCTC has terminated mobile licensees of the following two trains.

1. 2393-94, sampoorna Kranti
2. 2321-22, Howrah-Mumbai Mail

S.No	Action taken	
	Terminated	2
	Fine imposed	10
	Licensee warned	16
	Advised licensee suitably	26
	Not confirmed	10

NEW TRAINS/EXTENSION OF TRAINS

(Para No. 221)

The Committee had observed that 50 new trains running between different stations have been declared in the budget this year. After a close study, they find that some of them are in highly congested areas while in some other cases, basic infrastructure for running those trains is missing. They find that even gauge lines for the declared train are yet to be constructed. They feel that there has been a hurried declaration of 50 new trains without conducting proper surveys of the routes/tracks/capacity/demand. Apart from this, they are also apprehensive that it could be even compromising with the safety of these train as they are likely to overstress the tracks (beyond the track capacity). Besides, keeping in view that the passenger services are heavily cross subsidized vis-a-vis freight services, it could lead to declining trend of passenger earnings. They emphasize that before declaring new trains/extension of existing trains, a proper survey of the routes, tracks and capacity should have been made. They urge the Ministry to start or extend a train on a particular route based on its commercial viability, demand of the people and their local representatives, places of tourist importance and religious places such as direct train from Delhi to Haridwar. It should be ensured that the basic infrastructure for running these trains exist so that there is no compromise with safety aspects. The Committee stress that instead of declaring these new trains in urgency, the Railways should spend their valuable resources on safety, punctuality and cleanliness of the existing trains services.

REPLY OF THE GOVERNMENT

New passenger carrying trains are introduced on demand from passengers. Requests for introduction of trains are consistently received from members of the Divisional Railway Users consultative Committee, Zonal Railway Users Consultative Committee, Passenger Associations, Hon'ble MPs, MLAs, other VIPs and dignitaries. These requests are studied in detail. Demands for new train far exceed the resources available. Train services are, therefore, provided in a phased manner subject to availability of resources and operational feasibility.

A new train is introduced based on the following factors:-

1. Availability of demand
2. Availability of path
3. Availability of maintenance infrastructure
4. Availability of Rolling Stock
5. Manpower requirement
6. Impact on freight traffic

As these trains are introduced on the sections where the passenger trains are already running and the route is fit for passenger services, their introduction does not cause any safety hazard. Based on the assessment of the line capacity available vis-à-vis that required in the foreseeable future, proposals for augmentation of line capacity on different routes are made by Zonal Railways every year and are finalized through the Annual Works Programmes. While planning for augmentation of capacity, time for maintenance blocks is taken into consideration. Moreover, trains announced in Budget are introduced during the course of the financial year and after the entire infrastructure facilities are completed”.

RAIL VIKAS NIGAM LTD.

(Para No. 224)

To materialize the Prime Minister's vision to cruise the Indian Railways on the fast track growth, the Government have constituted a Rail Vikas Nigam Limited (RVNL) on 26th December, 2002 with a non-budgetary provision of Rs. 15,000 crore to strengthen the Golden Quadrilateral and its diagonals, port connectivity and construction of four mega bridges within a time-frame of 5 years. The said Nigam will commence mobilizing resources by way of equity and debt. A part loan of US\$ 313.6 million has already been approved by the Asian Development Bank to the Nigam in question. The Committee have also been informed that an allocation of Rs. 730 crore has been proposed during the year 2003-04 to implement the viable projects. They have been further briefed that as transfer of projects from the Railways to the Nigam will take time, the actual work will start after the financial closure for the year 2002-03. The most important fact about this Nigam is that the debt servicing arising out of it will be met with the incremental revenue generated by these projects. The Committee appreciate this visionary initiative on the line of National Highway Authority to supplement the Railways' efforts to strengthen and augment their infrastructure to achieve viability. However, they are equally concerned over the debt servicing liabilities which will accrue on this account especially in view of bad experience in case of Konkan Railway Corporation. The Committee, in this connection, strongly desires that at all costs only viable projects be taken under the RVNL, which can subsequently increase the internal resources of Railways.

REPLY OF THE GOVERNMENT

The Government announced a largely non-budgetary investment initiative of Rs.15,000 Crores on 15th August, 2002 to remove capacity bottlenecks on Indian Railways. This initiative has been called National Rail Vikas Yojana (NRVY) and it consists of three components viz. a) Strengthening of Golden Quadrilateral, b) Strengthening of rail

connectivity to ports/development of multimodal corridors to hinterland and
c) Construction of 4 Mega Bridges. NRVY is to be completed in 5 years.

A Special Purpose Vehicle (SPV), Rail Vikas Nigam Ltd. (RVNL) has been constituted to execute the Golden Quadrilateral strengthening initiative of NRVY estimated to cost Rs. 8000 crores. RVNL will also take up other bankable projects under NRVY. RVNL will undertake resource mobilization, project development and execution of projects. As far as funding for RVNL projects is concerned, Rs. 1500 Crores is expected to be received as Gross Budgetary Support which will be transferred to RVNL as equity. ADB has approved a loan of US \$ 313.6 million (Rs. 1500 Crores approximately). This will also be transferred from Ministry of Railways to RVNL as equity. Remaining funds will be raised by RVNL from domestic market as well as from multilateral and bilateral funding agencies. The Golden Quadrilateral projects are expected to be financially viable and should, therefore, withstand a mix of market funding.

Projects identified under NRVY have been transferred to RVNL except the Mega Bridges. During the year 2003-04, Rs.730 Crores have been allocated to RVNL against 28 sanctioned projects. Project execution against 16 projects is being undertaken by the Zonal Railways as deposit works of RVNL as these projects were in an advanced stage.

RVNL is mandated to take up only financially viable projects. Projects execution can be started by RVNL only after financial closure is achieved.

CHAPTER – IV

RECOMMENDATION/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Para No.209

The Committee find that the Railways own about 4.23 lakh hectares of land which is mainly used for locating service and operational infrastructure such as track, stations, workshops, staff colonies etc. Land being an important non-traditional source, a proper and scientific management of this asset must be ensured. However, the Committee have been informed by the Ministry of Railways that 98% of the land plans are available and 86% of these plans have been certified by the Revenue Authorities. They find that except the Western Railway no other Zonal Railways have completed the computerization of land plans so far. They also find that there is no substantial decline in Railway land under encroachment. Despite the proactive actions taken by the Railways, 2218 hectares of Railway land are still under the unauthorized encroachment. The Committee while taking a serious note of situation desire that the land plans be completed and computerized without any further delay so that the Railways could plan for commercial utilization of these lands. They also suggest that for recovery of land from the encroachers, the Railways should form a Joint Committee consisting of the representative of the Railway Board, State Government and the local MP to negotiate with the encroachers for one time settlement.

Reply of the Government

Since land plans need to be certified by the State Governments, progress to be made in certification and reconstruction of land plans largely depends on the cooperation received from the State government. However, all Railways have been directed to make the endeavors to complete the availability of all land plans and the certification process by 31st March, 2005. Regarding computerization (scanning) of land plans,

Railways have been directed to complete the process by 31st March, 2004.

For recovery as well as protection of their land Zonal Railways are engaged in a continuous exercise in accordance with the provisions of Public Premises (Eviction of Unauthorised Occupants) Act, 1971 and Railways Act, 1989. During such exercise the State governments, if they so desire, can raise the matter of resettling the encroachers on their land with the officers of the Zonal Railways. Since housing is a State subject the initiative for shifting the encroachers should come from the State Governments. Any proposal of this kind, received from the State Government for transfer/relinquishment of Railway land can be examined by the Zonal Railways as per extant Rules in consultation with Railway Board.

Regarding Standing Committee's suggestion for forming a joint Committee to negotiate with the encroachers it is stated that encroachment of public land is an unlawful act. Mere unauthorized occupation of a public land does not accord any right to such encroachers over the land. Holding negotiations with the encroachers even at lower level may give a wrong signal to the encroachers that they have acquired some right over the place. The implication of such negotiations at the highest of level of governance i.e. Central Government and highest level of legislature i.e. Members of Parliament, may not be conducive in the long run and may be quite detrimental to the democratic principles of the country. In this connection it will be pertinent to mention that Hon'ble Delhi High Court in their order dt. 8.7.96 (CWP No.230/96) – Tughlakabad Jhuggi Jhopri Welfare Association Vs UOI and others, observed that mere stay for some time at a place does not in itself confer any legal rights which can be adjudicated in exercise of powers under Article 226 of the Constitution of India particularly when the ownership of land is not disputed; it will be following a very dangerous precedent to give legal sanction to encroachers who occupy Government land on the false

assurance or regularization by some unscrupulous persons. The court also observed during the course of their order that encroachment of public place cannot be claimed by way of right however, compelling the necessity may be.

While quashing the Resettlement and Rehabilitation policy of the State Government of NCT, Delhi, Hon'ble High Court, Delhi have observed that (i) the authorities cannot acquire land and thereby make the farmers, who have been the legal owners of the land for generations, landless and displace them with the object to use the same very land for "unplanned development" rather than planned development; (ii) to permit such land to be utilized for rehabilitation of persons who have encroached upon public land would be travesty of justice and fair play and would amount to a premium on such dishonesty and public encroachment on the land; and (iii) it would only encourage persons to encroach on public land as has happened. However, the Ministry of Urban Development have gone in appeal in Hon'ble Court against the above judgement.

Therefore, forming Joint Committee consisting of officers of Railway Board, State Government and local MP is not considered desirable.

Para No. 213

The Committee observe that the major contributing factors for accidents have been found to be human failure. They find that 20,000 vacancies in safety categories in Group 'D' would be filled up through Railway Recruitment Board within the next one year and this would be in addition to employing 3500 constables in RPF. The Committee fail to understand the logic behind inducting such a large numbers, when the major contributing factors for accidents have been found to be human failure. Though they are convinced that this would create more jobs for people, they are apprehensive that it would add to the already over-sized Railways in combating the rising menace of track tampering.

The Committee suggest that instead of proposing a contingency plan to absorb people, the Railways must concentrate on re-training the existing work force and re-deploy the staff as far as possible. They also stress that vigorous and wide training regarding observing safety norms be given at different zones to the Railway employees especially the traveling staff and a disaster management module be worked out and sincerely followed.

Reply of the Government

The present security scenario of the country has affected the Railways in a considerable measure in ensuring safe train operations. It is essential to strengthen railway in-house protection and maintenance system, which include RPF as well as Gangman (Group 'D' Safety Categories). Hence the requirement for recruitment in Group 'D' staff. About 17000 of the above recruitment is being made in the Gangman category of the Civil Engineering Department. Since their main activity is maintenance of the track and ensuring safety and protection, the above recruitment would ensure more hands available for patrolling and guarding assets like bridge, etc. which would be able to detect track tempering case more effectively.

In order for every organization to prosper, induction of new faces at regular intervals is essential. This not only ensures that the old skills are passed on from generation to generation but it helps in new thinking, new ideas, which are extremely essential and beneficial to the improvement of the existing system.

Recruitment is not a contingency plan but also being made to ensure that railways achieve its goals on the safety and reliability front.

The other important aspect is that Group 'D' is the feeder category for departmental quota in Group 'C' for all departments even in safety categories. In order to ensure that the Group 'C' category posts are not left vacant, to that extent recruitment in Group 'D' cannot be avoided.

Railways are also regularly identifying work areas where staff can be declared as surplus, retraining them and redeploying them in areas

requiring manpower. This is being done on a continuous basis and it may be mentioned that in 2001-2002, 7793 staff were redeployed and in 2002-0223, up to Feb'03 about 4346 staff have been redeployed.

Safety categories of staff viz., ASM/SM, Yard Master, Switch-man, Drivers, TXRs, etc are required to undergo refresher training once in every three years. Instructions exist that when any staff belonging to safety category becomes over due to refresher training should be taken off duty until such time as he completes the training. Moreover, Promotional training has been made mandatory at different stages for staff belonging to some of the safety categories and they are given exclusive training on First Aid and on Disaster Management.

Para No. 217

The Committee note that the IRCTC has been fully operational from August, 2001 with the objective to upgrade the catering services of Indian Railways, development of food plazas at railway stations, promotion of domestic and international tourism and development of rail based tourism infrastructure, strengthening railways' linkages with travel intermediaries facilitating rail travel through internet based ticketing, electronic travel distribution system, provision of pure and safe packages, drinking water to rail users and establishment of value budget hotels at important railway stations. They were apprised that the IRCTC were providing catering/vending services through reputed caterers whose services are satisfactory. The Committee, however, have all doubts about the quality of services provided by the licensed caterers through IRCTC. They desire to know the difference of quality of service before and after the IRCTC came into being. The Committee emphasize that the IRCTC should physically takeover catering needs of the customers, for which creation of this professional Corporation was made, instead of leasing/subleasing the same to private caterers with immediate effect.

Reply of the Government

The decision to establish Indian Railway Catering and Tourism Corporation Ltd. was taken by the Union Cabinet on 23rd March, 1999 wherein it was decided that the catering activities of Railways whether departmental or franchisee, should be completely hived off to the proposed corporation along with the staff and the Railways should divest itself of this function. The major objective of IRCTC is to professionalise, consolidate and upgrade railway catering services through public private partnership and reduce liabilities of the Indian Railways.

IRCTC has initiated necessary action to standardize, modernize and ensure adequate quality of services through licensees and this effort will be an on going process.

After taking over of entire catering activities from Indian Railways, IRCTC will continue to man certain catering activities through departmental staff of the Indian Railways who will be taken over by IRCTC.

The emphasis of IRCTC will be to ensure proper level of services and quality to railway passengers and users.

(Para No. 220)

The Committee note that often the complaints of the travelling public go unheard by the Railways. They find that the complaints made by the passengers or VIPs or representatives of people is not registered in many cases. Even if the complaint is somehow registered, neither action is subsequently taken on the complaints nor its acknowledgement is made. They also find that suggestion books kept at stations and in trains are not even seen by the Railways. The Committee feel that it not only creates an opinion in the minds of people about the lackadaisical and callous approach of Railways but also it offends them away

to other modes of traveling, wherever possible. The Committee recommend that the complaints/suggestions made by the passengers, VIPs and the representatives of the people should invariably be registered and duly acknowledged in the trains or at the next station itself. They desire that each and every complaint or suggestion should be taken up seriously by the Railways at sufficiently high level and dispose of expeditiously thereby reassuring the passengers to travel by train. The Committee recommend that while dealing with the complaints, the Railways should consider the suggestions made therein to make improvements in Railway facilities and services.

Many a occasion, the Members of the Committee raised serious lapses of the Railways' working in their meetings, which Railway Board fail to comply till the finalisation of this Report. Even to the extent that the queries required to be complied by Railway Board has not come forthwith. The Committee express their concern with the attitude of the officials and disapprove of this evasive attitude of the Railway Board.

Reply of the Government

Indian Railways have a well organized Public Grievance Redressal machinery which takes prompt action on the complaints received on the railway system. To help the passengers register their complaints, complaint cum suggestion books are maintained at all important public interface points such as station office, booking offices, goods-sheds, trains, reservation offices etc. The acknowledgement of the complaint/suggestion is given to the passenger at the point of registration of complaint/suggestion and each complaint suggestions is investigated/examined properly and reply sent to the passenger. Wherever system corrections are called for action is taken to undertake the same and wherever misdemeanor/wrong action is found on the part of the staff then suitable disciplinary or administrative action is taken as warranted in the particular case.

CHAPTER – V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

AMENDMENT IN RAILWAY ACT, 1957 AND RPF ACT, 1989

(Para No. 214)

The Committee note that certain amendments are being proposed in the Railways Act, 1957 and the Railway Protection Force Act, 1989. They desire that RPF personnel be given more powers to handle and tackle the safety situation so that it assists the State Governments in performing their role in railway safety by combating security threats etc. The Committee desires that the amendments in the Acts should be brought out at the earliest.

REPLY OF THE GOVERNMENT

The proposal to empower the RPF for providing better security to passengers by incorporating certain amendments is under consideration. For this purpose amendments to RPF Act 1957 and Railways Act 1989 are under process. Efforts are being made to bring the amendments at the earliest.

PUBLIC SECTOR UNITS

(Para No. 226)

The Committee have noted with concern that all the six Public Sector production Units have not been able to utilise their production capacity over the last 2-3 years not because of their inefficiency and less productivity but since they could not get adequate orders from the Ministry of Railways. To tap the potential of these Units fully, the Ministry of Railways have agreed to accord more autonomy to these PSUs to make them more independent to take investment decisions, to be more free to adopt competitive pricing and powers for marketing both in the domestic and international markets to the extent of surplus

capacity available. The Committee also agree to the decision of the Ministry and desire that the process of granting more autonomy to these PSUs be expedited and the final outcome of the matter be apprised to the Committee in this regard.

REPLY OF THE GOVERNMENT

Ministry of Railways have already approved in principle the process for making the Production Units independent cost and profit centers giving more autonomy to the General Manager's of these Production Units to make investment decisions, freedom to adopt more competitive pricing & powers for marketing both in the domestic and international markets to the extent surplus capacities are available. The modalities for this are being worked out.

UNREALISED EARNINGS FROM SEBs/PHs

(Para No. 227)

The Committee are concerned to note that unrealized earnings of the Ministry of Railways as on 31st March 2002 was Rs.2090 cr. out of which approximately 77% was due from various State Electricity Boards (SEBs)/Power Houses (PHs). Further, they find that there has been fresh accretion of Rs.417 crore to traffic suspense. On a close study it was found that the Badarpur Thermal Power Station (BTPS) headed the list of defaulters followed by the Punjab State Electrify Board (PSEB), the Delhi Vidyut Board (DVB) the Rajasthan State Electricity Board (RSEB) and the National Thermal Power Corporation (NTPC) etc. with the outstandings of Rs.960.22 crore, Rs.693.81 crore, Rs.173.79 crore, Rs. 130.90 crore and Rs.56.63 crore respectively as on 31.01.2003. The Committee observe that the Ministry of Railways have taken number of steps to recover dues from the State Electricity Boards/Power Houses including follow up with the Ministry of Finance, the Ministry of Power and the Chief Ministers of respective States. They have even approached the Planning Commission to make deductions from for central plan assistance and transfer it to the Railway Board. However, despite all these efforts, the Ministry have been able to recover only to the extent of Rs. 159.23 crore, so far. The representatives

of the Ministry of Railways informed the Committee that the NTPC have promised to clear the entire dues before 31st March, 2003 by cash, while in case of the PSEB, DVB, RSEB the matter has been taken up with respective Chief Ministers. The Financial Commissioner (Railways) submitted before the Committee that they have mooted a Cabinet note to adjust the outstanding against the Badarpur Thermal Power Corporation, against the deferred dividend liability of Railways as it is a Central Power Utility and does not belong to a State.

The Committee are concerned about the substantial outstanding of the Ministry of Railways and are satisfied with the serious approach of the Ministry to obtain these valuable resources from various SEBs/PHs. However, despite these efforts, the realization of the outstandings are meager. The Committee realized that the measures adopted are at sufficiently high levels. They would advice the Ministry to pursue the matter further with the concerned Chief Minister/Ministry of Finance and Ministry of Power effectively and promptly, so as to secure their dues at the earliest.

In regard to the BTPS the Committee are in agreement with the proposal mooted in the Cabinet note put forward by the Financial Commissioner (Railways) and wish that the decision therein be expedited and the Committee be informed of the outcome.

REPLY OF THE GOVERNMENT

As desired, the matter will be taken up further with the concerned Chief Minister/Ministry of Finance and Ministry of Power in due course. Meanwhile, with the persistent efforts of Railways the position of outstanding dues on account of freight from Punjab State Electricity Board have come down to Rs.422.09 crore (approximate) at the end of March, 2003 from Rs. 693.81 crore as at the end of January, 2003.

With regards to Cabinet Note it is submitted that the same has been prepared and sent to Ministry of Finance and Company Affairs for obtained their views under O.M. No. TC-IV/2000/4105/3 dated 23-4-2003. As soon as their approval is received, it will be referred to Cabinet Secretariat for their consideration.

New Delhi
30 January, 2004
10 Magha, 1925 (Saka)

K. YERRANNAIDU
Chairman
Standing Committee on Railways

**MINUTES OF THE THIRD SITTING OF STANDING
COMMITTEE ON RAILWAYS (2004)**

The Committee sat on Friday, the 30th January, 2004 from 1530 hours to 1600 hours in Committee Room 'E', Parliament House Annexe,

PRESENT

SHRI K. YERRANNAIDU - Chairman

MEMBERS

LOK SABHA

2. Dr. (Smt.) Anita Arya
3. Shri Ramdas Athawale
4. Shri M. Chinnasamy
5. Shri Moinul Hassan
6. Dr. Madan Prasad Jaiswal
7. Shri Salkhan Murmu
8. Shri Laxmanrao Patil
9. Shri Sohan Potai
10. Smt. Sushila Saroj
11. Dr. Nitish Sengupta
12. Shri Rajo Singh
13. Shri Suresh Chandel

RAJYA SABHA

14. Shri Karnendu Bhattacharjee
15. Shri Tarini Kanta Roy
16. Shri Abani Roy

SECRETARIAT

1. Shri V.S. Negi - Deputy Secretary
2. Smt. Abha Singh Yaduvanshi - Under Secretary

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. Thereafter, the Committee took up for consideration and adoption of the draft Reports on – (i) Resource Mobilisation (ii) Railway Recruitment Policy and (iii) Action Taken by the Government on the recommendations/observations contained in 13th

Report of the Committee on Demands for Grants (2003-04) of the Ministry of Railways. The Chairman invited from the Members their suggestions if any, on the said draft Reports.

3. The Committee adopted the draft Reports on (i) Resource Mobilisation; and (ii) Action Taken by the Government on the recommendations/observations contained in the 13th Report of the Committee on Demands for Grants (2003-04) of the Ministry of Railways without any modification/amendment.

4. xx xx xx xx xx

5. The Committee authorized the Chairman to finalise the Reports after making consequential changes, if any, arising out of the factual verification by the Ministry of Railways or otherwise and present the same to both the Houses of Parliament.

The Committee then adjourned.

APPENDIX-II

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS/ OBSERVATIONS CONTAINED IN THE 13TH REPORT 2003 (13TH LOK SABHA) ON 'DEMANDS FOR GRANTS (2003-04) OF THE MINISTRY OF RAILWAYS'.

Total number of Recommendations/Observations	30
(i) Recommendations/observations which have been accepted by Government (<i>Vide</i> recommendations/observations)	18
Para Nos. 199, 200, 202, 203, 204, 205, 206, 207, 210, 211, 212, 215, 216, 219, 222, 223, 225 and 228.	
Percentage of total	60%
(ii) Recommendations/observations which the Committee do not Desire to pursue in view of Government replies (<i>Vide</i> recommendations/observations)	05
Para Nos. 201, 208, 218, 221 and 224.	
Percentage of total	17%
(iii) Recommendations/observations in respect of which replies of which replies of Government have not been accepted by the Committee which require reiteration. (<i>Vide</i> recommendations/observations)	04
Para Nos. 209, 213, 217 and 220	
Percentage of total	13%
(iv) Recommendations/observations in respect of which final replies of Government are still awaited. (<i>Vide</i> Recommendations/observations)	03
Para Nos. 214, 226 and 227.	
Percentage of total	10%