

7

STANDING COMMITTEE
ON RAILWAYS
(2001)

THIRTEENTH LOK SABHA

MINISTRY OF RAILWAYS
(RAILWAY BOARD)

DEMANDS FOR GRANTS
(1999-2000)

*[Action Taken by the Government on Recommendations/Observations contained
in the Third Report of the Standing Committee on Railways (1998-99)
(Twelfth Lok Sabha) on 'Demands for Grants (1999-2000)
of the Ministry of Railways']*

SEVENTH REPORT



LOK SABHA SECRETARIAT
NEW DELHI

January, 2001/Magha, 1922 (Saka)

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Presented to Lok Sabha on

Laid in Rajya Sabha on



सत्यमेव जयते

LOK SABHA SECRETARIAT

NEW DELHI

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COMPOSITION OF THE STANDING COMMITTEE
ON RAILWAYS (2001)

Shri K. Yerrannaidu — *Chairman*

MEMBERS

Lok Sabha

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

(iv)

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

Rajya Sabha

31. Maulana Obaidullah Khan Azmi
32. Shri Jhumuk Lal Bhendia
33. Shri Banarsi Das Gupta
34. Shri Bhagatram Manhar
35. Shri G.K. Moopnar
36. Shri S. Niraikulathan
37. Dr. (Smt.) Chandra Kala Pandey
38. Shri Raju Parmar
39. Shri Anil Sharma
40. Shri Gopalsinh G. Solanki
41. Dr. D. Venkateshwar Rao
42. Shri Abani Roy
43. Shri Ramachandraiah Rumandla
44. Vacant
45. Vacant

SECRETARIAT

1. Shri M. Rajagopalan Nair — *Joint Secretary*
2. Shri R.C. Gupta — *Deputy Secretary*
3. Shri S.N. Dargan — *Under Secretary*

INTRODUCTION

I, the Chairman of Standing Committee on Railways (2001) having been authorised by the Committee to present the Report on their behalf, present this Seventh Report on Action Taken by the Government on the recommendations/observations contained in the Third Report of the Standing Committee on Railways (1998-99) (Twelfth Lok Sabha) on 'Demands for Grants (1999-2000) of the Ministry of Railways'.

2. The Third Report was presented to Lok Sabha on 22nd April, 1999 and laid in Rajya Sabha on 19th April, 1999. It contained 57 recommendations/observations. The replies of the Government to all the recommendations contained in the Report were received on 9th and 15th November, 1999; 11th January, 2000; 24th February, 2000; 1st March, 2000 and 20th December, 2000.

3. The Draft Action Taken Report alongwith action taken replies were considered and unanimously adopted by the Committee at their sitting held on 23rd January, 2001.

4. An analysis of the Action Taken by the Government on the Recommendations/observations contained in the Third Report of the Standing Committee on Railways (1998-99) (Twelfth Lok Sabha) is given in Appendix-II.

NEW DELHI;
January 24, 2001
Magha 4, 1922 (Saka)

K. YERRANNAIDU,
Chairman,
Standing Committee on Railways.

REPORT

CHAPTER I

This Report of the Committee deals with the action taken by the Government on the recommendations and observations contained in the Third Report of the Standing Committee on Railways (1998-99) on 'Demands for Grants (1999-2000)'. The Report was presented to Lok Sabha on 22.4.1999 and laid in Rajya Sabha on 19.4.1999. It contained 34 recommendations/observations.

2. The Action Taken Notes have been received from the Government in respect of all the 34 recommendations/observations and the same have been broadly categorised as follows:

(i) Recommendations/observations which have been accepted by the Government:—

Para Nos. 146, 147, 152, 156(b), 157, 158, 160(b), 161(a), 161(b), 163(a), 170(b), 172(b), 173(a), 173(b), 173(d), 175(b) and 176(e).

(ii) Recommendations/observations which the Committee do not desire to pursue in view of the Government's replies:

Para Nos. 148, 149, 150(b), 150(c), 153, 154, 155, 156(a), 159, 160(a), 161(c), 162, 163(c), 164(a), 164(b), 164(c), 166, 167, 169, 170(a), 171, 172(a), 173(c), 174(a&b), 175(a), 175(c), 175(d), 176(a), 176(b), 176(c), 176(d) and 176(f).

(iii) Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee:—

Para Nos. 143, 144, 145, 150(a), 151 and 165.

(iv) Recommendations/observations in respect of which replies of the Government is still awaited:—

Para Nos. 163(b) and 168.

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

4. The Committee will now deal with the Action Taken by the Ministry of Railways (Railway Board) on some of their recommendations/observations.

Dues against Power Houses

(Para No. 143)

5. Keeping in view the fact that the Railways are often compelled not only to fix low tariff for carriage of certain essential commodities such as foodgrains but also to give precedence to its movement, leaving aside high rated traffic that is allowed to go by road; pressurised to continue movement of coal to power houses despite regular defaults, on their part, in payment of rail freight charges which remain outstanding for years; and forced to find ways and means to fund their Plan outlay, following commercial principles, even by resorting to market borrowings at exorbitant cost, the Committee had *inter-alia* desired in Para 143 of their Report that all the outstanding dues from the Ministry of Coal, NTPC, State Electricity Boards etc. should be recovered without any further delay under intimation to them. High cost investment funds from the market are singularly inappropriate for most of the Railway investments having a long gestation period and therefore, the Committee felt that a much higher budgetary support is essential if the Railways are to effectively meet the transport requirements of a growing economy and the developmental role that has invariably become part of the Railways' repertoire. Even in advanced capitalist nations rail investment is state financed and subsidised in freight/passenger rates, if any, are explicit and borne by the State. This is particularly significant in the Indian context where the Railways bear the twin burden of subsidies fares/freight rates and inadequate financial support on capital account.

6. The Ministry of Railways in their action taken reply have stated as under:—

"The initiatives taken to reduce the outstanding dues of Power houses in respect of Railways are out lined below:—

The outstanding dues recoverable from all Power Houses stood at Rs. 1140 Crores in March '99. This has shown a 27% increase in the last 6 months and stood at Rs. 1445.86 Crores at the end of September, 99. This rising trend is of utmost concern to the Railways and efforts are on to reduce the outstanding to a minimum.

One such decision to liquidate 'arrears outstanding' was taken by the Cabinet Committee on Economic Affairs in their meeting held on 7.2.97. The Committee decided that past dues from Power Houses be adjusted by effecting a cut in the Central Plan Assistant (CPA) of the concerned States, subject to the maximum of 15%. This was to be distributed among the major agencies who owed large amounts like to Railways, Coal Companies etc. The Railways have received Rs. 108.15 crores from the CPA during the year 1997-98, 1998-99 & 1999-2000 (till November, 1999).

Another measure taken to contain accretion of fresh outstandings was the enforcement of compulsory 'pre-payment' of freight. Two variations of the scheme are in vogue—one pre-payment at originating point and the other advance payment at destination. Though introduced since 1.1.1997, the scheme has had varied success but has failed to contain Badarpur Thermal Power Station's (BTPS) outstandings position which has risen from Rs. 743.43 Crores in December, 1996 to Rs. 1022.99 Crores in September, 1999. A via-media has been found out and BTPS have been asked to pay coal freight at the dispatch end itself from 15.11.1999. Progress in the implementation of this scheme is being closely watched. Adjustment of outstanding dues against traction bills has also been adopted as a method for liquidating dues of State Electricity Boards/Power Houses.

Meeting with the major defaulters like Badarpur, HSEB and Delhi Vidyut Board has resulted in evolving a time-bound action plan for reduction of outstandings. Delhi Vidyut Board has agreed to honour their commitments to BTPS with regard to raising the amount of Letter of Credit and paying a fixed amount for clearance of 'old arrears outstanding due'. In the case of HSEB, the dues have come down from Rs. 11304 Crores in August, 1998 to Rs. 94.93 Crores in August, 1999.

The matter is being pursued further at the Secretary, Power's level and efforts are on to liquidate the arrears outstanding dues as also the current freight outstandings.

A continuous dialogue is being held with the Planning Commission and the Ministry of Finance for obtaining enhanced budgetary support from the general exchequer."

7. The Committee are not satisfied with the reply of the Ministry of Railways as the outstanding dues against Power Houses have further increased from Rs. 1140 crore in March 1999 to Rs. 1445.86 crore by the end of September, 1999. The outstandings have risen from Rs. 743.43 crores in December, 1996 to Rs. 1022.99 crores in September, 1999 in respect of Badarpur Thermal Power Station. The Committee would like to know whether Badarpur Thermal Plant has paid its outstanding dues or not. They also need to be informed about the outstandings against other State Electricity Boards & Power Houses.

Excess Earnings Over Expenditure

(Para Nos. 144 & 151)

8. The Committee had noted that the excess earnings over expenditure have come down to Rs. 1535.22 crore in 1997-98 against Rs. 2870.63 crore in the year 1995-96. The Committee take a very serious view over the declining trend in Railway earnings. They cannot but conclude that the day is not far off when the Railways instead of being a profit-making undertaking, would become a loss making organization. The Committee had, therefore, desired in paragraph 144 of their Report that the Ministry of Railways should make concerted efforts to further bring down their expenditure and increase their earnings.

9. The Committee have also expressed their concern to note that the operating ratio of the Railways has been very high and in some of the Zonal Railways, namely, North Eastern, Northeast Frontier and Southern Railway it has been on an unacceptable high level. At the same time there is no denying a fact that expansion and strengthening of the railway system should be financed mostly by the Railways through generation of internal resources. Hence there was need for a substantial improvement in their operating ratio from the present high level. The Committee were of the view that this can only be done by better operational and commercial management with emphasis on aggressive revenue generation on the one hand and rigorous cost control on the other.

10. The Ministry of Railways in their action taken reply in respect of Para No. 144 have stated:—

“The financial results of the Railways, expressed as “excess” of receipts over expenditure, depend on a number of factors, which, inter-alia, will include growth of traffic, additional resource mobilisation through revision of fares and freights, ordinary working expenses, pensionary charges and the appropriation to the depreciation reserve fund. Payment of Dividend to General Revenues and the Subsidy towards reliefs and concessions in dividend also enter into the calculation.

In 1995-96, there was a remarkable increase of about 26 million tonnes in freight movement, the tonnage having gone up from 365 million tonnes in the previous year to 390.69 million tonnes. There was a moderate revision of freight rates also. The results was an 11.9% increase in freight earnings over the previous year. Passenger earnings also similarly registered a growth of 12.1% over the previous year. The variation in Total Working Expenses, including appropriation to the Funds, was 11.7%. With these favourable factors, Railways registered an “excess” of Rs. 2870.63 cr. which has been highest so far.

In 1997-98, growth in freight movement was 20.36 million tonnes which, with additional resource mobilisation of Rs. 1592 cr. for the full year and Rs. 240 cr. from 15.10.1997, resulted in a substantial growth of 19.2% in freight earnings over the previous year. There was growth in passenger earnings to an extent of 14.2% over the preceding year. However, the total Working Expenses also registered an increase of 23.2% over the figure of 1996-97. The main increase was in Ordinary Working expenses, to an extent of Rs. 4419 cr. arising from the implementation of the V CPC's recommendations including the payment of arrears. For the same reason, the appropriation to the Pension Fund also had to be raised. The result was that, in spite of the good performance in the receipts side, the 'excess' amounted only to Rs. 1535.22 cr.

It would be apparent from the above that while the year 1995-96 produced good results basically from a more than normal incremental loading, the year 1997-98 was considerably affected by the impact of the V CPC's recommendations despite substantial additional resource mobilisation. For the same reason position further greatly aggravated by steep fall in freight loading by 29 million tonnes below target and nine million tonnes below the level of the previous year due to recessionary trend in the economy. The 'excess' in 1998-99 plummeted to Rs. 398.46 cr. Thus, the two years following 1996-97 have accounted for an adverse swing of Rs. 7000 cr. in the resource capacity of the Railways.

It may be mentioned that it is a continuous endeavour of Railways to augment earnings and control expenditure. It is due to implementation of strict economy and austerity measures adopted by the Railways that, in 1999-2000, the Railways expect to more or less contain their working expenses within the Budget grant despite post-budgetary increases of more than Rs. 900 cr. due to levy of cess on HSD oil, hike in HSD oil prices and electricity tariff, increase in ration allowance to RPF personnel, increase in rates of family planning allowance, higher incentive bonus, restoration work due to Orissa cyclone, etc. Some of the important steps being taken by Railways to augment earnings and control expenditure are briefly indicated as under:—

Augmentation of Earnings

1. Aggressive marketing to capture other goods as well as core sector traffic.
2. Revision in classification of certain commodities.
3. Volume Discount Scheme for certain commodities.
4. Two point rake loading at some stations.
5. Incentive to Steel Sector.
6. Guaranteed transit time service by CONCOR.
7. Delegation of powers to General Managers to quote special rates.
8. Leasing of space in front brake vans in all passenger trains.

9. Special Parcel trains between important stations and trading centres.
10. Drives against ticketless travel.
11. Drive for realisation of outstanding dues.
12. Maximum realisation from sale of scrap.
13. Action initiated to mobilise resources through exploitation of railway land and air space, leading of right of way for optic cable communication, leasing of advertising rights at railway stations and on the rolling stock etc.

Expenditure Control Measures

1. Austerity in areas of hospitality, publicity, advertisements etc.
2. Better manpower management for improving per capita productivity.
3. Improvement of specific fuel consumption.
4. Improving assets utilisation.
5. Better inventory control.
6. Expenditure management by regular monitoring against monthly proportions based upon spending limits lower than budget and by regulation of cash outgo through the controlled release of cash authorisation to various spending units.

11. In regard to operating ratio, the Ministry of Railways have in their action taken reply to Para No. 151 have stated:

“The concern expressed by the Committee in regard to improving the operating ratio is noted. It may, however, be mentioned that Railways have already been taking steps to augment earnings and reduce expenditure with a view to improving the operating ratio. Due to the sustained efforts taken in this direction, the Railways were able to improve their Operating Ratio from 92% in 1990-91 to 82.5% in 1995-96. The Operating Ratio has since deteriorated mainly due to implementation of the recommendations of the V Central Pay Commission which increased the working expenses disproportionately due to steep rise in the staff costs on Railways. The staff costs on Railways have jumped from Rs. 10,137 cr. in 1996-97 to Rs. 15,957 cr. in 1999-2000 (BE). Due to sharp reduction in loading, as a result of economic slowdown, earnings also were severely affected. Both these factors have resulted in higher operating ratio.

However, the working expenses are expected to stabilise in due course except for normal increases, and the growth in freight and passenger traffic will lead to higher earnings. It is hoped that the Operating Ratio would also begin to show signs of improvement.

As regards North Eastern, Northeast Frontier and Southern Railways it is submitted that the operating ratios on these zones are higher due to their geographical locations and economic conditions. These railways have very low commercial potential. The share of loading on these Railways constitutes only 1%, 2% and 6% of the total loading and 3%, 2% and 7% of the Gross Traffic Receipts of the Indian Railways. They do not enjoy the advantage that cross traffic railways do in share of apportioned earnings. However, the revenue expenditure though lower in comparison to other zonal Railways, has increased due to implementation of the recommendation of the Fifth Central Pay Commission..."

12. The Committee find that the efforts made by the Ministry of Railways did not result in bringing down their expenditure and increase in their earnings as is evident from the Budget Estimates for the year 2000-01. Their operating ratio has increased from 93.7% in 1999-2000 to 98.8% in 2000-01. The Committee, therefore, reiterate their earlier recommendation that the Ministry of Railways should make concerted efforts to further bring down their expenditure & speaking increase in their earnings.

Railways' Share to total Traffic

(Para No. 145)

13. The Railways' share to total traffic in the economy has been declining over the years. One of the reasons for the decline in the Railways' share in goods and passenger traffic has been their inability to generate adequate capacity to meet the growth of traffic. This is evident by the extreme congestion of high density corridors connecting the metros of Delhi, Mumbai, Chennai and Calcutta. The Committee had, therefore, felt that it was imperative that the network is extended to integrate more remote areas with the national economy besides adding an additional line exclusively for freight traffic along the high density-corridors for which Planning Commission and Ministry of Finance should provide adequate funds on priority basis. At the same time, the Railways will have to reorient their business to diversify their freight base. Special value-added services on the basis of fixed schedule needed to be provided to capture a fair share of the high value non-core traffic. A flexible freight policy is therefore necessary to deal with sectoral shifts in the economy.

14. The Ministry of Railways in their action taken reply, have stated:—

“Reliable data on rail traffic flows are collected regularly and maintained by the Railways in computerised form. Road traffic flows which will give an indication of the Railways share in the transport business of the country are estimated through Origin-Destination Surveys. An all India road traffic survey was conducted by RITES in 1978-79 and in 1986-87 for the Planning Commission. Another survey for estimation of road traffic flows on road corridors running parallel to fourteen high density rail routes was undertaken in 1995-96 for the Ministry of Railways. These studies will be continued in future also.

It is true that there is congestion on the high density corridors. Traffic levels both present and future are constantly reviewed on all rail corridors including the high density trunk routes connecting the metropolitan cities. Various works to increase capacity on these routes are undertaken in the form of improvement in signalling, breaking up of block sections and laying additional lines wherever necessary.

In order to increase the Railways share in the long lead traffic, Railway's have revamped their marketing efforts by establishing direct contact with major customers, both existing and potential, offering volume discount, introducing value added service etc. Simultaneously, augmentation of Railway's carrying capacity is being done by inducting high horse power locomotives and technologically superior rolling stock, laying additional lines, improvements in signalling and other line capacity works. Improvement in operating practices like introduction of engine on load system, upgradation of freight terminals etc. are expected to attract traffic to the Railways. Container Corporation of India has been formed to carry non-bulk traffic and to provide door-to-door service.

15. The Committee are concerned to note the reply of the Ministry of Railways who have, instead of formulating a flexible freight policy, has informed that various actions taken by them are expected to attract traffic to the Railways. As the year 2000-01 is coming to an end, the Committee would like to know the outcome of the efforts made so far both in quantity and revenue earnings.

Loss accruing to Railways

[Para No. 150(a)]

16. Although it is difficult to guess the extent of loss accruing to the Railways on account of all sorts of revenue leakages, the Committee had no doubt about its being in a substantial size. The Committee had, therefore, opined that the problem should be looked at with determination and in a business-like manner by making more frequent raids on ticketless travellers, touts, unbooked luggage, booked freight showing less weight, etc. Concerted efforts in this direction can make an appreciable impact on their financial position.

17. The Ministry of Railways in their action taken reply, have stated:—

“The Government is alive to the problem of ticketless travel and is taking vigorous measures to root out this evil. Ticket Checking activities have been intensified. Special and surprise checks are regularly conducted on zonal Railways by mobilising ticket checking staff and officers in association with Special Railway Magistrates, Government Railway Police and Railway Protection Force. Vigorous checks are also conducted every month under ‘Action Plan’ circulated to all Railways directing them to launch different types of checks on specific dates.

As a result of the concerted drives launched by the Railways, 52.34 lakh persons were detected travelling without ticket/with improper ticket and unbooked luggage cases during the current year (April to July, 99) as against 5.68 lakh during the corresponding period of last year. The amount realised from these cases was Rs. 54.61 crores during April to July, 1999 as against Rs. 50.88 crores during April to July, 98 registering an increase of 7.35.

Concerted efforts are made by the Railways to curb the menace of touts and other anti-social elements. These include checks by Vigilance, Commercial and Security Directorates in reservation offices, in trains, against reservations on fake names, etc. Stringent action is taken under Railways’ Act, 1989 against touts as well as persons travelling on transferred tickets. During the period April to July, 1999, 865 touts were apprehended on the Zonal Railways out of which 850 touts were prosecuted.

Efforts are also being made to minimise leakage of revenue on account of overloading of wagons. For this purpose weightment of loaded wagons is undertaken at major loading points having weighbridge facility. Regular surprise checks are also carried out when there is suspicion about overloading of wagon. Ministry of Railways have also decided to provide electronic in motion weighbridges at major loading points as also intermediate locations where loading checks can be undertaken. During the year 1999-2000, 25 weighbridges have been included in the M&P Programme and these would be procured and installed within this period. Efforts are also under way to include important locations for provision of electronic weighbridges in the M&P Programme for the year 2000-2001. The Punitive Charges for overloading of wagon have also been made very stringent and any overloading detected beyond the permitted limits is charged at Class 300x, which is the highest class available under the Goods Tariff."

18. In spite of the measures taken by the Ministry of Railways to minimise leakage of revenue on account of ticketless travelling, touts menace, unbooked luggage, booked freight showing less weight, etc. the Committee are of the firm opinion that there is still ample scope for improvement in this direction. The Committee would like to know the number of surprise visits/checks made by the officers of the rank of DRM and above after the presentation of this Report to Parliament.

Diversion of Funds

(Para No. 165)

19. Commenting on diversion of funds from one project to another project, the Committee had observed:—

"A case of diversion of funds from one project to another has come to the notice of the Committee through their Study Group-V (Pending and On-going Project). This Study Group during their study visit to North Eastern Railway, Gorakhpur came to know that a large diversion of funds to the tune of about Rs. 27.5 crores has taken place last year from the Kanpur-Kasganj-Mathura gauge conversion project out of the sanctioned allocation of Rs. 35.65 crore during 1998-99. The Committee feel that there might be similar instances in other Zonal Railways also, the Committee do not approve such diversion of funds from one project to another and recommend that no funds be diverted henceforth. In case there is an exigency, the facts should be placed before the Committee alongwith the reasons therefor."

20. The Ministry of Railways, in their action taken reply, have stated:—

“Ministry of Railways with the approval of Cabinet Committee on Economic Affairs have prioritised new line and gauge conversion works. These works are being progressed and funded as per the priority fixed. Since the outlay provided in 1998-99 for Kanpur-Kasganj-Mathura gauge conversion project was more than sufficient for progressing earthwork and bridge work during the course of the year, an amount of Rs. 15 crores was diverted from this work to Indara-Phephna gauge conversion work which was targeted for completion in 1998-99. The funds shown against each work in the budget at the start of financial year are based on planned work, availability of resources and the *inter-se* priority of the work.

During the year, adjustments in outlay are often needed due to:—

- (a) Some works moving slowly due to delay in land acquisition, contractual problems, court cases, etc.
- (b) To meet the requirements of addl. funds for target dated projects to meet the escalated cost of materials, etc.
- (c) To suit reduced availability of resources.

These adjustments are made during the various budgetary reviews *i.e.* Revised Estimates and Final Modifications and by re-appropriations as required.”

21. The Committee in their recommendation had disapproved the diversion of funds from one project to another and had desired that in case there was an exigency, the matter could be placed before the Committee alongwith the reasons/justification therefor. The reply of the Ministry of Railways is silent on both these aspects. The Committee take serious view of such vague replies and reiterate that in case the situation necessitate the fund diversion from one head to another, the same may be brought to the notice of the Committee for their information and approval.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 146)

The Committee find that there is a widespread lack of cost-awareness and cost-related information in the Railways, and a general lack of *sensitivity to costs at all levels*. Functional units are aware of the targets for outputs assigned to them in a given period only in physical terms. The management also lays down targets in physical terms only, without correlating them with financial results, and evaluates their performance only on the basis of achieving their physical targets by them *regardless of the costs incurred in achieving the same*. The system is such that the financial or cost aspect always tend to be relegated to a back seat. Similarly, when the physical target for originating freight loading is achieved or surpassed by a few million tonnes, the matter is widely publicised, even though there may be shortfall in freight earnings on account of decline in the average lead over which the traffic is carried. This is a serious drawback in the system, particularly in the current scenario when the financial aspects should be every one's concern, from the top management down to the functional unit-supervisor in the field. The Committee are of the firm view that there is abundant scope for controlling costs of electricity and fuel and avoiding wastage of most other resources used in day to day operation and maintenance activities of the Railways.

Reply of the Government

Costing units on the Railways analyse and compare unit costs of all major activities of railway operations and maintenance and give necessary feedback to management at all levels to enable them to achieve targets that aim at "best ever performances". Due regard is given to correlating each target of physical output with the financing costs, be it the targets of plan expenditure (such as Construction of New Lines, Electrification, Gauge Conversion, etc.) or of operation and maintenance (repair and maintenance of permanent way, rolling stock, POH of rolling stock, fuel consumption, etc.) This has led to standardisation of units of physical output and their costs on Indian Railways. Each physical unit achieved is compared with the standard cost; in case the actual costs are higher than the monetary targets/standard costs, suitable analysis are made and remedial measures are taken.

It may be mentioned in this connection that for each Division, a target Performance Efficiency Index is notified which is the ratio of working expenses to originating earnings. The performance of the Division is watched by review of this Index.

As regards the Committee's observation that "wide publicity is given on achieving the loading target even when the earnings are declining due to drop in lead or otherwise", it is submitted that the Indian Railways strive not only to achieve the physical target of loading but also the related earnings. The target and achievement of loading and freight earnings are given below for the last five years:—

(Rs. in cr.)

	Loading in MT			Freight Earnings		
	B.E.	Actual	% Var.	B.E.	Actual	% Var.
1994-95	380	365	-3.9	14289	13670	-4.3
1995-96	398	391	-1.8	15125	15290	+1.1
1996-97	410	409	-0.3	16975	16668	-1.8
1997-98	430	429	-0.2	19562	19866	+1.6
1998-99	450	421	-6.4	21686	19960	-7.9

As may be seen from the above, the achievement of freight earnings is generally in line with the achievement of loading. In 1995-96 and 1997-98, the freight earnings even increased despite slight shortfall in loading as compared to target.

It is also submitted that during 1995-96 to 1997-98, when the tonnage loaded showed improvement every year compared to the previous year, the increase in earnings was consistently higher than the increase in tonnage. Even in the year 1998-99, when the tonnage loaded was less than the previous year's achievement, the reduction in earnings was perceptibly less than the reduction in tonnage.

Every Railway is given not only an originating tonnage but also originating earnings target and its performance is monitored on both the parameters. The accent, thus, is not only on physical attainment but also on monetary achievement.

The Committee's concern on the issue of controlling of costs is noted. The Railways are in the process of developing a comprehensive and integrated computer based online Management Information System which will be an aid to Managers at different levels of administration of Indian Railways for better decision making and more effective monitoring. Steps have also been taken to give wide publicity on the state of Railway finances so as to create necessary awareness amongst all railwaymen.

Being bulk users of electricity and HSD oil, Railways are aware of the importance of conservation of energy and are taking a number of steps to avoid waste. Some of the important measures being adopted by the Railways to conserve energy/fuel for traction and non-traction purposes are given below:—

- (i) Monitoring of Driving Techniques
 - (ii) Provision of Energy cum speed monitoring system.
 - (iii) By switching off stand-by transformers in sub-stations; switching off locomotive idling in yards, installation of capacitor banks at feeding post.
 - (iv) Daily analysis of light engine movement.
 - (v) Provision of wheel flange lubricators and fuel efficient kits on Diesel Locos.
 - (vi) Use of Long-Welded Rails for track.
 - (vii) Staggered working of various machine in workshops and provision of individual lighting on machines thereby avoiding total shop illumination.
 - (viii) Timely control of external street and yard lightning by use of LDR.
 - (ix) Rationalising pumping hours.
 - (x) 50% lighting at platforms during non-peak hours.
 - (xi) Extensive use of non-conventional sources of energy.
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As regards waste of other resources, control is exercised through strictly enforced budgetary constraints. Further, it is proposed to enforce the zero-base review procedures to all important activities with a view to identifying areas that offered scope for improved utilisation of resources.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 24.2.2000]

Recommendation (Para No. 147)

The Committee also find that the Railway management's concern for marketing has so far been only nominal. In fact, marketing was not really required because of the near-monopolistic situation in which they operated in the past. Nowadays in any business, marketing strategy occupies a key position for its growth and profitability. Therefore a marketing strategy, with a clear and unambiguous focus on the customer's needs, is inescapable if the Railways have to regain their market supremacy in the business of transportation. The bureaucratic approach to marketing must be discarded in favour of a professional approach. This would require the Railways to completely reorient their outlook on business lines. The Committee feel that the Railways have so far enjoyed the luxury of operating in a seller's market. It has now to undergo and overcome the constraints of operating in a buyers' market. The Committee desire that the market-oriented outlook should not be restricted to managerial levels alone, but should percolate down the line to the lowest functionary of the system.

Reply of the Government

The Railways are in complete agreement with the Committee that a marketing strategy focussed on the customers' requirement is inescapable for the Railway's future growth. The Railways have realised that in both the freight and the passenger business organisational and attitudinal changes have to be brought about, pricing policies rationalised and services required by the customer made available. In order to achieve this, a number of steps have been taken as detailed below:—

Freight Marketing

- In view of the importance of the issue, a senior officer in the Railway Board has been designated as Exec. Director (Freight Mktg.) and charged with the responsibilities of coordinating the marketing effort in the freight business.
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- The establishment of the Container Corporation of India Ltd. (CONCOR) was a step in meeting the demand for Multi-modal transportation required by industrial customers. The organisation has been strengthened by the formation of a domestic wing which is charged with meeting the domestic demand for containerised movement of cargo including both rake load and piecemeal traffic. CONCOR has successfully began to run 'contract' services between specific production/consumption centres to the satisfaction of the trade. This is a major marketing step towards meeting the requirements of domestic bulk and break—bulk traffic.
- The conversion of overaged coaches into parcel vans for carrying automobiles has paid rich dividends and this new stream of high value traffic has been effectively captured. A scheme for Leasing out SLR space has been implemented which has been welcomed by trade as has been a scheme for leasing out of parcel vans for point to point movement on a round trip basis.

Thus, a number of steps have been taken to offer new services and provide the necessary organisational inputs to meet the customer requirements. In addition, a serious effort is being made to rationalise the structure of freight rates which has become distorted on account of continuous hikes necessitated by the need to cross subsidised passenger services being provided below cost. The exercise is far from over and a great deal more needs to be done but some of the efforts made are as under:—

- A volume discount scheme has been introduced for specific commodities whereby incentives by way of discounts will be given to customers depending on the volumes generated by them. The step has been welcomed by the target industries.
- The high value traffic of steel coils was suffering because there was a mismatch between the actual weight of the coils and the minimum weight for charge resulting in considerable dead freight paid by the customer. This problem has been resolved by changing the minimum weight for charge to ensure no significant mismatch. This step had a remarkable positive effect on the traffic of this commodity.
- Powers have been delegated to the Zonal Railways for giving freight concessions *via* the station to station rate scheme whereby between pairs of points, upto a certain limit, concessional rates can be offered locally by the Zonal Railway.

To reduce the cost of rail movement to customers who have Railway sidings a scheme for engine on load movement to and fro sidings is being formulated which will not only improve the efficiency of movement into an out of sidings but will also reduce the cost to siding owner of rail movement. A Committee to review the entire gamut of rules and procedures governing siding construction and operation has been formed in order to rationalise the same.

A programme for upgradation of terminals and thereby improving the efficiency of terminal operations and meeting some of the long standing requirements of freight customers has been initiated.

Passenger Marketing

In the passenger business also, a number of steps to increase customer orientation and provide services desired by the customer have been taken:—

- An Executive Director, (Passenger Marketing) in the Railway Board has been entrusted with the task of coordinating all efforts in this area.
- The establishment of the Catering and Tourism Corporation is a major step towards professionalising these crucial aspects of the passenger business.
- The 'Tatkal' scheme to provide, at a modest premium, accommodation to passengers compelled to travel at the last minute has been introduced and has found favour with our customers. The scheme is being expanded to cover more trains as found necessary.
- A programme of upgradation of passenger amenities both at stations and on trains has been initiated. This includes:—
 1. Station upgradation including provision of modern modular catering stalls and improved quality of food stuff, effective signage, increasing provision of pay and use toilets to ensure clean and well maintained facilities, upgradation of retiring rooms and waiting halls.
 2. Upgradation of services provided on selected long distance mail/express trains.
- A Computerised National Train Enquiry System has been developed and is being implemented across Indian Railways in phases.

All these efforts towards meeting the requirements of the passengers are part of the passenger marketing efforts of the Indian Railways.

In conclusion the Committee is advised that its directives about marketing by the Indian Railways have not only been fully accepted by the Ministry of Railways but implementation on the lines indicated has already been initiated and considerable progress achieved. The efforts will continue to transform the Indian Railways from a bureaucratic organisation to a customer focussed market oriented transport organisation.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.99]

Recommendation (Para No. 152)

The tariff policy of the Railways has traditionally been one of the constraints with regard to increase in passenger fares and periodic increases in case of freight rates. This has been necessitated by the dual role of the Railways as a public utility acting as a catalyst for development and as a commercial organisation running on business principles. Therefore, over the years, the Railways have resorted to cross-subsidisation in order to offset the losses incurred in passenger and other coaching services through additional revenues from freight movement. The system of cross subsidisation has gone too far. The overall fare structure does not generate sufficient resources to bring about the surplus necessary for capacity expansion. Additional resources cannot be raised by increasing freight rates at the upper end where they are already too high. Further increase in rail freight rates may divert the traffic to road. In the opinion of the committee it has now become imperative to rationalise the tariff policy and for that there is a need for sufficient flexibility in the freight rates to deal with the market fluctuations and recovery of the full distributed cost from all categories of freight. If certain essential goods have to be carried below cost, the same should be subsidised directly through the budget so that the benefit is clearly targeted and the cost becomes transparent.

Reply of the Government

The Ministry of Railways agree with the observations and recommendations made by the Committee.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 9.11.99]

Recommendation [Para No. 156(b)]

It has been brought to the notice of the Committee that wagon orders are not being laced with trade well in time and there has been delays from 4 months to 9 months, in placing the demand by the Ministry of Railways with wagon manufacturers. Moreover, there are wide variations in rates paid by the Railways to Wagon Manufacturers. The Committee are of the firm view that the orders for procuring wagons be placed well in time and after placement of orders there should not be any cut in procurement orders. They recommend that uniform prices be paid to all the wagon manufacturers without any discrimination.

Reply of the Government

Wagon orders are placed in time so that wagon manufacturers can start production after completing the old orders. Orders for 1998-99 requirements were placed in March '98 before commencement of financial year. Presently, most of the wagon builders are executing the quantities against 1998-99 orders and fresh orders are under finalisation.

1998-99 wagon orders were placed on wagon builders at uniform rates for each type of wagon. However, statutory duties and taxes on procurement of bogies and couplers were reimbursed to wagon builders, wherever applicable as per actuals. Thus net amount payable to wagon manufacturers is uniform for each type of wagon. 1999-2000 wagon tender also incorporates same conditions.

Wagon orders for the year 1998-99 had to be reduced upto 30% under minus option clause due to Budgetary constraints. However, this curtailment was subsequently restored to provide relief to wagon industry.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.99]

Revised Reply of the Government

In the Action Taken Note submitted earlier it was mentioned that the fresh orders for 1999-2000 are under finalisation. It is submitted that the orders for 1999-2000 were placed on 16.7.99.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 20.12.2000]

Recommendation (Para No. 157)

The Committee find that there is considerable increase in imports especially of parts and fittings for carriages/wagons; metals; acids, paints & varnishes; Electrical and S&T stores, etc. The Committee express their serious concern over the increase in imports of these items which can, perhaps, be produced/manufactured either by the Railways themselves or by other indigenous manufacturers.

Reply of the Government

Imports on railways are restricted to the minimum possible to cover items not indigenously available except where quality product or capacity constraints exist. However, the observations of the Standing Committee have been brought to the notice of the railways to keep a strict watch on imports and only those items may be imported which are essential and not available indigenously.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.99]

Recommendation (Para No. 158)

The catering services play a vital role in attracting passengers traffic for the Railways. The Committee find that the catering services in the trains as well as on the stations are far from the expectations of the passengers and rail users. Supply of food is very archaic, there is hardly any attention paid to the quality of food supplied and to the aspect of cleanliness. The passenger bogies are not swept and cleaned. There is no supervision, no accountability at all. The Committee feels that there is an urgent need to strengthen and professionalise these services.

Reply of the Government

Ministry of Railways have initiated a number of steps to improve the quality of food and beverages at Stations and in trains through improved quality of raw material, packaging and presentation.

Instructions have been issued regarding the use of ecofriendly packaging materials and ensure their proper disposal. An Officer on Special Duty (OSD/On board facilities) has been posted to oversee the improvement in the area of on board facilities) has been posted to oversee the improvement in the area of on board services including catering services.

In order to further upgrade and professionalise the services, Government has approved the setting up of a Railways Catering and Tourism Corporation as a specialised agency. This is expected to be set up within six months.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.99]

Recommendation [Para No. 160 (b)]

The Committee also take note of the observation made by the previous Standing Committee on Railways that infrastructural facilities which are essential for making a station functional should not be termed as basic amenities. Infrastructural facilities when provided as part of a project should be booked under respective Plan Heads and once the Project as such is completed and handed over to the open line for operation, provision for augmentation of these facilities should be made the Plan Head 'Passengers and other Rail Users Amenities'.

Reply of the Government

In response to the recommendation of earlier Standing Committee regarding bifurcation of infrastructural and passenger amenities detailed instructions were issued as far back as 1995. Now instructions have been issued to book facilities under Plan Heads to which project is initially charged and any subsequent augmentation of these facilities should be charged under the Plan Head "Passengers and other Rail Users Amenities".

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 9/11/99]

Recommendation [Para No. 161 (a)]

The ideal IX Plan size as desired by the Railways is of the order of Rs. 93,000 Crores, which, they think, will bring back 5% of road traffic to rail. However, the committee note that the Railways' IX Plan size has been finally fixed at Rs. 45,413 crores as against their demand for Rs. 65,000 Crores. The VIII Plan size was of the order of Rs. 32,000 Crores. Though it presents 41.9% hike in absolute terms over that of VIII Plan, in terms of Railways' overall share to the total Central Plan, it declined from 6.3% in VIII Plan to 5.3% in IX Plan, which is the lowest so far. It has been noticed that during the first three consecutive Five Year Plans the share of Railway Plan to the total Central Plan has been of the order of 11.1%, 15.4% and 15.4% respectively. However, it started declining substantially from the Fourth Five Year Plan onwards.

Reply of the Government

Factual information. Noted.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 9.11.99]

Recommendation [Para No. 161 (b)]

Given the huge throw forward of about Rs. 35,000 Crores, projects cost escalation occurring every year, shrinking internal resources, increasing burden of social service (which has been assessed to be Rs. 3,006 Crores in 1999-2000) and substantial dividend payment liability and burgeoning repayment liability to the market borrowings, the Railways will definitely not be able to regain back their lost traffic share. It is estimated that going by the present trend by 2000, the share of the railways would decrease further to 5% in case of freight traffic and 7% in case of passenger traffic.

Reply of the Government

In order to deploy the resources more optimally the Railways have prioritised the Gauge Conversion and New Line Projects, where the problem of throw-forward is particularly heavy. Railways have also embarked upon revenue generation exercise by offering value added services, aggressive marketing of their products, introduction of more efficient operating practices like engine on load system etc. The Committee's concern in regard to the Railways' financial position is noted and the Planning Commission and Ministry of Finance have been suitably addressed on this issue.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 9.11.99]

Recommendation [Para No. 163 (a)]

Though there has been substantial growth in the budgetary support over the Five Year Plans in absolute terms *i.e.* from Rs. 142 Crore in Plan to Rs. 11,791 Crore in IX Plan, its share percentage to the total Plan of the Railways decreased considerably, *i.e.* from 75% in the V Plan to 26% in the IX Plan. The budgetary support is provided by the Central Government at a rate of 7% dividend with certain concessions for augmentation of Railway network in the socially backward and strategically important areas as the Railways do not have surplus resources to invest. Over the last 10 years the share of budgetary support to the Railways in comparison with the overall Central budgetary support has declined considerably from 13.1% in 1992-93 to 5.8% in 1999-2000.

Reply of the Government

Noted. Factual information.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 9.11.99]

Recommendation [Para No. 170 (b)]

During the course of evidence, the Committee were informed that the Railways are sharing one third of the total cost of the Calcutta Suburban Railway project and two-thirds in case of other metropolitan suburban Railway projects. Justifying this criteria of funding, the Railways informed the Committee that the Calcutta suburban project is the extension of the already sanctioned projects. The Committee desire that the extension programme of Calcutta Metro upto Garia should be completed expeditiously by providing sufficient funds. Similarly suburban Railway projects for which concerned State Governments namely Tamil Nadu, Maharashtra etc. are ready to provide their share of funds should be given top most priority.

Reply of the Government

Sufficient funds (Rs. 40 crores) have been allotted in the current year 1999-2000, for the Project of construction of Calcutta Metro including extension from Tollygunge to Garia. West Bengal Government are yet to give a specific indication regarding provision of their share of funds, during the current year, which is being followed up with them to ensure expeditious execution of the project. Suburban Railway projects in the States of Tamil Nadu and Maharashtra, being constructed on cost sharing basis, are being given high priority.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 9.11.99]

Revised Reply of the Government

Sufficient funds (Rs. 150.50 crores) have been allotted in the current year 2000-01, for the Project of construction of Calcutta Metro including extension from Tollygunge to Garia. However, West Bengal Government are yet to provide their share of funds for the current year. Suburban railway projects in the States of Tamil Nadu and Maharashtra, being constructed on cost sharing basis, are being given high priority.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 20.12.2000]

Recommendation [Para No. 172 (b)]

The Committee note that there have been frequent train accidents and the one at Kauri near Khanna has eroded the credibility of the Railways to a large extent. The Committee have noted that there are various reasons responsible for accidents but the failure on the part of Railway staff contributes to be the maximum *i.e.* about 75% of the total accidents. The Railways have informed the Committee that the additional requirement of funds to provide signalling and Telecommunication and safety works such as track circuiting automatic warning system, safety improvement at level crossing. Last vehicle check by axle counter, trail radio communication etc. is of the order of Rs. 7625 crore. The accord thrust to this area, an amount of Rs. 375 crore has been sanctioned this year for the works under this Head. The Committee, having examined the importance of safety in Railways recommend as under:

- (i) Funds at the rate of Rs. 500 crore be provided under this Head by the Railways to ensure the safety.
- (ii) Walkie-talkie communication between Driver and Guard be introduced on all trains including goods trains.
- (iii) Track Circuiting the Auxiliary Warning System be strengthened on all routes.
- (iv) Purchase of rails containing hydrogen content be discarded forthwith.
- (v) Intensive checking of tracks be done with ultrasonic Flaw Detectors.
- (vi) Telephone at each maned level crossings at both sides of the railway stations, red light signal system be provided.
- (vii) Last Vehicle Check by Axle Counter be introduced on all Block Sections.
- (viii) Results of trail of Radio-based Automatic Train Control System proposed to be introduced in Delhi-Mathura section be sent for the information of the committee.
- (ix) "Rail net" should be stated without any further delay.

Reply of the Government

(i) During 1999-2000 an outlay of Rs. 375 Cr. have been made under S&T Plan Head which is 15.32% higher than revised Estimate allocation of last year.

(ii) *Walkie-talkie communication between Driver & Guard*

Walkie-Talkie communication between Drivers & Guards of all Mail, Express & Passenger Trains has already been provided. Similar communication between Drivers and Guards of Goods train will be provided by March 2000.

(iii) *Track Circuiting & AWS*

Track Circuiting

After Ferozabad Accident a great thrust has been laid on provision of track circuiting on Indian Railways. As a result track circuiting from Fouling Mark (FM) to Fouling Mark on run through lines has already been completed on A,B & C routes on Indian Railways. For other routes the sanctioned works are under execution.

The track circuiting of other sections within station limit (Home Signal to FM and FM to Block Section Limit) are also being provided on a programmed basis. Approximately 600 stations are being equipped with various types of track circuiting every year.

Auxiliary Warning System

It prevents human error by driver of passing Signal at Danger resulting in accident. It has been installed in Mumbai Suburban Section. Trial of a Radio based system is proposed to be taken up on Delhi-Mathura section of Central Railway. This pilot project has been sanctioned in the Pink-Book 1999-2000. Based on its Outcome its further installation on other routes on Indian Railways shall be considered.

(iv) *Purchase of Rails containing hydrogen content be discarded*

Complied. No rails with Hydrogen Content more than the prescribed limits in T-12/96, accepted after 31.12.98.

(v) *Ultrasonic testing of tracks*

Action has been taken to implement Need Based Concept of USFD Testing of Rails by 31.12.99 progressively.

(vi) Perspective plan has been drawn to enhance safety of level crossings by undertaking manning of unmanned level crossings, interlocking of busy level crossings and providing telephone at the balance manned level crossings.

(vii) *Last Vehicle Check*

Last Vehicle Check by Axle Counter has Already been provided at 115 block sections on the railways. This system is being progressively provided based on the requirements within constraint of availability of resources.

(viii) The salient progress of the trial installation of proposed radio based automatic train control system proposed to be introduced between Delhi-Mathura section is as follows:—

(a) A project appraisal report was prepared detailing the field signalling data of Delhi-Mathura section and submitted to International Union of Railways, UIC, Paris.

(b) The work of provision of ETCS Level-II Delhi—Mathura section has been sanctioned in the Pink Book 1999-2000 at a cost of Rs. 49 Crore.

(c) An application for allotment of the frequency band for operation of the radio based ETCS Level-II system on Delhi-Mathura section has been submitted to Wireless Planning Commission, Government of India, New Delhi. The issue is being vigorously pursued with WPC.

(d) Tender document for the pilot project of Indian Railways ETCS Level-II installation on Delhi-Mathura section are under preparation.

(ix) *Railnet*

The RAILNET has already been commissioned and Railway Board, Zonal Railway Headquarters and Production Units have been linked. Extension of Railnet to other important activity centres is in progress.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 9.11.99]

Revised Reply of the Government

- (i) All efforts are being made to allocate optimum funds for S&T systems within the overall constraint of resources. Under S&T Plan Head, during 1999-2000, the revised outlay was Rs. 348.19 crore and during 2000-01, the revised outlay stands at Rs. 374.19 crore. These outlays are more than corresponding outlays in the previous years.

(ii) *Walkie-talkie communication between Driver & Guard*

Walkie-talkie communication between Drivers & Guards of all Mail/Express & Passenger & Goods trains has been provided.

(iii) *Track Circuiting & AWS**Track Circuiting*

A great thrust has been laid on provision of track circuiting on Indian Railways. As a result, track circuiting from Fouling Mark to Fouling Mark (FM to FM) on run through lines has already been completed on A, B, C, D spl. & D routes where trains run at a speed of more than 75 kmph. For other routes, the sanctioned works are under execution. The track circuiting of other sections within station limit (Home Signal to FM and FM to Block Section Limit) are also being provided on a programmed basis. Approximately 650 stations are being equipped with various types of track circuiting every year.

Auxiliary Warning System

It prevents human error by driver of passing Signal at Danger resulting in accident. It has been installed in Mumbai Suburban section. Trial of a Radio based system is proposed to be taken up on Delhi-Mathura section of Central Railway. This pilot project has been sanctioned in the Pink Book 1999-2000. Prequalification of the tenderers has been done. Main tender of this work is scheduled to open on 23.1.2001. Based on its outcome, its further installation on other routes on Indian Railways shall be considered.

(iv) *Purchase of Rails containing hydrogen content be discarded*

Complied. No rails, with Hydrogen Content more than the prescribed limits in the latest specifications on rails, i.e., T-12/96, have been accepted after 31.12.98

(v) *Ultrasonic testing of tracks*

Need based concept, i.e. more frequent ultrasonic testing of rails, has been adopted fully on all the important routes already. It is being extended to the remaining routes progressively and complete adoption is targeted for 31.3.2001. Appropriate increased number of ultrasonic testing machines and their manning has enabled coverage of more and more tracks with the required ultrasonic testing as per the Need Based Concept.

(vi) *Perspective Plan has been drawn to enhance safety of level crossings by undertaking manning of unmanned level crossings, interlocking of busy level crossings and providing telephone at the balance manned level crossings.*

(vii) *Last Vehicle Check*

Last Vehicle Check by Axle Counter has already provided at 152 block sections on the railways. This system is being progressively/provided based on the requirements within constraint of availability of resources.

(viii) *The salient progress of the trial installation of proposed radio based automatic train control system proposed to be introduced between Delhi-Mathura section is as follows:—*

(a) A project appraisal report was prepared detailing the field signalling data of Delhi-Mathura section and submitted to International Union of Railways, UIC, Paris.

(b) The work of provision of ETCS Level-2 Delhi-Mathura section has been sanctioned in the Pink Book 1999-2000 at a cost of Rs. 49 crore.

- (c) An application for allotment of the frequency band for operation of the radio based ETCS Level-II system on Delhi-Mathura section has been submitted to Wireless Planning Commission, Government of India, New Delhi. The issue is being vigorously pursued with WPC.
- (d) Prequalification of the tenders has been done. Main tender of this work is scheduled to open on 23.1.2001.
- (ix) Rail-net is being introduced progressively on the railways. At present, rail-net connects Railway Board with all Zonal Railway Headquarters, Production Units, Centralised Training Institutes and 22 Divisions. Extension of Rail-net to balance divisions is in progress.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 20.12.2000]

Recommendation [Para No. 173 (a)]

The Committee note that neglect of safety and security in the trains has been great concern among the commuting passengers. Dacoities, robberies and many other crimes in the railway trains have been alarmingly increasing. There is hardly any coordination among different agencies. The Committee strongly recommend that the General Managers and Members of the Railway Board jointly take up this issue with the State Governments, their Chief Secretaries and the GRP and RPF in a well coordinated way.

Reply of the Government

Policing and providing security to passengers and their belongings in trains and on the Railway premises is the constitutional responsibility of the State Governments concerned. However, Railway administration is regularly coordinating with the State Police and GRP officials to impress upon them the urgency for controlling crime on railways. GMs/Railways and CSCs/RPF on the Zonal Railways and DRMs/DSCs/RPF of the division are holding regular coordination meetings with the GRP counterparts in which they emphasize on the need for controlling crime on the Railways.

In addition to holding regular coordination meetings, the DSCs/ CSCs take up the matter with the concerned GRP authorities wherever any incident of robbery, dacoity, murder is reported on train or railway premises. Even at the level of DG/RPF wherever such heinous crime takes place, the matter is immediately brought to the notice of the Director General of Police of the concerned State to take necessary preventive measures over the affected sections and also to detect the case and bring the criminals to book.

A meeting of the State Home Secretaries, heads of GRP of States and Chief Security Commissioners of Railways, chaired by the Minister for Railways was held in August 1998 to give thrust to co-ordination efforts.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.99]

Recommendation [Para No. 173 (b)]

In order to combat dacoity, robberies and other crimes in trains, the Committee suggest that the Ministry of Railways should convene a meeting of all the State Home Ministers, Chief Secretaries, Home Secretaries, DG/IG of RPF/GRP etc. at the Minister's level and the outcome thereof be intimated to the Committee.

Reply of the Government

A high level Conference of Home Secretaries and heads of GRP of States was held on 28.8.1998 to discuss the problems of security relating to the railway passengers and their belongings. The meeting was chaired by the Hon'ble Minister for Railways with the aim to give a thrust to the coordination efforts. Important decisions taken/subjects discussed during the meeting and implemented are:

1. Acceptance of FIRs by GRP.
2. Co-ordination between GRP and Railways.
3. Mobile Police stations in trains.
4. Access control on platforms.
5. Active participation of GRP in ticket checking drive.
6. Periodical character verification for vendors, porters, etc.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.99]

Recommendation [Para No. 173 (d)]

The Committee find that there is no coordination/communication link between Guard and the Driver of the respective train. They, therefore, desire that walkie-talkie/radio communication system be provided without any further delay. Similarly, security arrangements in ladies compartments need to be strengthened and ladies constable be recruited and deputed in all the ladies compartments.

Reply of the Government

VHF walkie-talkie sets have already been provided to the Drivers and Guards of all passenger-carrying trains to help them communicate with each other. This facility will be extended to goods trains as well by the end of this financial year.

So far as security arrangements in ladies compartments is concerned, it is mentioned that lady constables have already been recruited on Indian Railways and are deputed in ladies compartments depending on the security needs and at vulnerable sections.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

Recommendation [Para No. 175 (b)]

The Committee also recommend that National Award Winners should be allowed to take a spouse/attendant with them on free railway passes.

Reply of the Government

Complimentary Railway Card Passes valid for journey all over India in I class/IIAC are issued to the National Award Winners in the following categories:—

- (i) Arjuna Awardees/Olympic Medalists/Asian and Commonwealth medalists/Dronacharya Awardees.
- (ii) Winners of Chakra series Gallantry Awardees (Defence).
- (iii) Winners of President's Police Medal for Gallantry and Police Medal for Gallantry (Police).

2. The above pass holders are also permitted to take a companion in the same class. However, in case of awardees mentioned at (i) above, provision of companion is granted to those whose age is 65 years or above.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

Recommendation [Para No. 176 (e)]

Effective co-ordination among all the functionaries in the Railway system must be set up.

Reply of the Government

Indian Railways are a multidisciplinary organisation where a high level of coordination exists among all departments. Integration of all its components are built into the Railway system as a result of which the system functions effectively.

Committee's observations are noted and it will be the constant endeavour of the Railways to maintain effective coordination among all functionaries.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY

Recommendation (Para No. 148)

Railway decision-makers' tendency of showing marked preference for non-economic objectives, particularly where large investments are involved, has become a drag on the Railway system already beset with their conflicting roles. New surveys are undertaken to satisfy populist demands rather than to meet the actual need, in utter disregard of a heavy shelf of already approved Projects, absence of maintenance facilities, and above all, low financial returns on huge capital investment and recurring expenditure involved. New trains are also introduced in spite of operational constraints and safety hazards. The Committee express their concern over this tendency of the Railways. They are of the view that such decisions should be taken prudently in the national interests only.

Reply of the Government

Railways are extremely cautious in the matter of introducing new train services. The proposals for introduction of new trains are duly examined and trains are introduced after taking approval from the G.Ms of respective Railways as well as Mechanical, Electrical and other concerned Directorates. At the time of introducing new trains, proper care is taken regarding safety, operational feasibility and availability of staff.

Railways have to seriously consider popular demands reflected through public representatives. Surveys are undertaken to determine the feasibility and economic viability of a project which help in arriving at investment decisions.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

Recommendation (Para No. 149)

The Committee note that there has been a conscious lack of transparency while disseminating information about the actual financial position of the Railways, or any segment thereof. Despite the financial constraints verging on a crisis, a good deal of energy and effort of the management is spent on convincing that the Railway are performing better than ever before. Consequently, unreasonable and unusual demands on their already constrained resources are made by various quarter such as different Government Departments, State Governments and even their own work force. The management chooses not to share its concern about their financial position. It is, therefore, necessary that a greater degree of transparency is established, by plain and forthright communication with the Central and State Governments, people in general and Railways' workforce directly as well as through trade unions. This would elicit a more positive response, from various quarters, to their problem, and may, to a large extent, obviate the need for frittering away scarce resources in unremunerative investments. The Committee feel that a high degree of objectivity and a fair amount of introspection, individually as well as collectively, can lead, upto a great extent, towards solutions to the basic problems that are hurting the system at present.

Reply of the Government

Indian Railways bring out their detailed financial status in the Budget documents placed before Parliament every year.

In addition a Status Paper on Indian Railways was placed before Parliament on 27th May, 1998 and a White Paper on Railway Projects was tabled in the House on 28th July, 1998. Both these papers bring out the issues and options for the Railways. Dilemma of an organisation with commercial objectives simultaneously burdened with social obligations has been clearly delineated in these documents. They have been widely circulated among all the State Governments, Public Bodies, Chambers of Commerce etc. for the purpose of the latter's education and response.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

Recommendation [Para No. 150 (b)]

There is rampant corruption and criminal wastes in the railways. It has been brought to the notice of the Committee that touts have started operating in 'Tatkal' Reservation Scheme also thereby defeating the very purpose of the scheme. With proper monitoring frightening of superior and vigilance at all levels, this must be stopped. If the wastages and bakages are stopped and corruption plugged, the railways can make available considerable fund for development projects. Economy has to be enforced at every level. Accountability has to be strictly implemented at every tier of administration. Discipline must be established, through inspections, regular as well as surprise visits. The lethargy that has sadly set in the administration, must be removed; action must be taken against corrupt employee.

Reply of the Government

Indian Railways run nearly 7500 passenger trains everyday carrying on an average 12 million passengers per day. The volume of passenger traffic is not uniform throughout the year and the demand peaks up during summer and during other holiday periods. During summer, the demand increases by about 25% to 30%. There is a general complaint that during the rush period the reservation gets booked within few minutes even on the opening day. In fact, a Public Interest Litigation was filed in the High Court of Delhi in 1997 on the subject. One of the allegation made that in petition was that the confirmed accommodation gets booked up fully by touts and other anti-social elements within minutes of the opening. In order to overcome this problem, a decision was taken in the Ministry of Railways to introduce Tatkal Scheme.

Tatkal Reservation facility is to provide instant reservation to rail customers who plan their journey at a very short notice. The Scheme was introduced with effect from 20.12.97. At present, 'Tatkal Scheme' is available on more than 100 trains. The booking under this scheme commences at 08.00 AM on the previous day of the journey. To prevent malpractices, for booking under this scheme, an authority for identification such as credit card of a Bank with or without laser based photograph, a laser laminated photo identity card with a proper serial number, a voter identity card with photograph, a passport, a Driving license with laser laminated photograph or a Tatkal Identity Card issued by the Railways is required for purchasing the ticket so

that anti-social elements do not corner the reservation. During the journey, the passengers have to carry the same proof of identification on the basis of which he/she has sought the reservation failing which he/she will be treated as travelling without ticket and penalty will be imposed as per the extant rules applicable for the trains in which the passenger is travelling. This aspect is verified in the train by the ticket checking staff.

Further in order to discourage the unscrupulous elements from selling the tickets in fictitious names and keeping in view the facts the reservation under this scheme starts only one day ahead of the day of journey, a decision was taken that no refund shall be permissible on the tickets issued under Tatkal Scheme. Since no refund is permitted on Tatkal ticket, no waiting list has been prescribed under this scheme which has considerably reduced the chances of malpractice in Tatkal Scheme.

To keep a check on malpractices committed by the staff, instructions have been issued to all Zonal Railways to conduct frequent inspections on their railways.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

Recommendation [Para No. 150 (c)]

Responsibilities of officers are also to be fixed, irrespective of the rank and position of the officers, drastic and exemplary actions are to be taken to bring in fear that every failure will be dealt with seriousness it deserves. Public cannot be made to suffer because of inaction and slackness or failure on the part of the Railway Officials.

Reply of the Government

Drastic and exemplary actions are taken against the Staff/Officers found directly responsible for the lapses on railways. Moreover, in order to prevent corruption in reservation offices, surprise checks are conducted at various levels by Commercial and Vigilance Department to check the malpractice in railways. Disciplinary action is taken against staff and officers alike found indulging in malpractices irrespective of their rank.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 11.1.2000]

Recommendation (Para No. 153)

Increase in short distance passenger traffic, particularly on high density corridors is a matter of concern. The Committee note that with the heavy losses suffered by the Railways in their operations, the situation has become critical and alarming because of the saturation in these corridors. They feel that it may not be possible to introduce additional long distance passenger and freight services unless additional dedicated corridors for the purpose are created.

Reply of the Government

Taking into account the overall mix of traffic *viz.* freight and coaching, slow trains and fast trains, stopping strains and through trains; Railways undertake creation of line capacity as per requirement and subject to the availability of funds.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

Recommendation (Para No. 154)

- (a) On the issue of augmentation of resources in the railway's one of the most important sources can be optimum utilisation of the railway lands. Huge quanta of land are owned by the railways. Proper land management can fetch huge resources for the railways to invest in development projects which are so much started of resources. The railway lands may have been under use of some organisations or groups of people for long years. In many cases there are under use by such people for more than 70 years and not put to the best economic use. In such cases, the land in question may be optimally utilised after arranging alternative settlement of such people.
- (b) The Committee desire that before chalking out a plan to remove encroachments on Railway land, a rehabilitation package should be provided well in advance by effective co-ordination with the State authorities. The Railways should also explore exploitation of Railway land and air-space, particularly in Metro cities in order to generate more resources for the Railways development plans.

Reply of the Government

Indian Railways own about 4.20 lakh hectare of land. A major part of the land owned by Railways has already been put to optimum use in connection with Railway operations and related amenities such as track and structures, station yards, circulating areas, workshops, Staff colonies, etc. Out of the unused land, a large part consists of land strips on both sides of the track, which is required for operations and maintenance needs and for stacking and movement of materials. These strips would be required for future developmental works like doublings, gauge conversions, expansion of yards and circulating areas commensurate with development of traffic.

Railways do recognise the need to put land which is not required for immediate use but needed for future expansion of railway operations and have, therefore, evolved a policy to derive some revenue by way of temporary licensing of land for stacking/storing of goods moved by Rail, afforestation etc.

Railways being acutely aware of the need for raising internal resources for implementing its development programmes, have also been making efforts through commercial utilisation of land/air-space. As a part of this effort, Railways have identified certain stations across the country where the station buildings are old and in need of considerable expansion and improvement in respect of passenger utilities/amenities. These station buildings are being re-built as multi-storied complex as and it has been proposed to utilise the air-space above these new built building for commercial purposes.

In view of the approval accorded by the Government for taking up commercial utilisation of land and air-space with the Cabinet and the National Development Council approving the IXth Five Year Plan document which envisages raising of non-tariff resources by way of commercial utilisation of its land and air-space, one vacant plot of land each, which has substantial potential from commercial point of view, has been identified on each Railway to be taken up for property development, as the initial step. Railways have also been asked to identify all other potential sites, for similar future use.

In view of the need for raising financial resources, Ministry of Railways have also decided to undertake afforestation by involving the private sector in afforestation of railway land. In this direction, Zonal Railways have identified a few compact parcels of land which could be taken up for afforestation through private parties.

(b) Removal of encroachment on Railway land is a continuous process. Action is taken to remove the same under extant rules with the help of local police/State Government. Rehabilitation/resettlement of the encroachers on Railway land is the prime responsibility of the State Government. As regards, commercial exploitation of land to generate resources, the same has already been replied to in reply to part (a) above.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

Recommendation (Para No. 155)

The Committee are of the view that capacity building in the Railways is as much a matter of investment in new assets as of making the best use of existing assets. The Railways have recorded a gradual improvement in assets utilisation but there is ample scope for improvement in productivity. The efficiency of terminal handling needs to be improved. The speed of the freight trains is still very low, leading to long turn-around-time. This needs to be tackled by a proper utilisation of the latest technology by operational improvements, besides the provision of dedicated corridors for through-movement in busy sections.

Reply of the Government

Improvement in the utilisation of assets has always been a priority area of action for the Railways. Freight loading has grown from 73.2 million tonnes in 1950-51 to 429.4 million tonnes in 1997-98, registering a growth of about 487%. Transport output in terms of net tonne kilometres (NTKMs) has grown from 37 billion NTKMs to 279 billion NTKMs during this period (658% increase), while the route kilometre grew by only 17% and wagon capacity by 158% during this period. Thus, 658% increase in transport output took place over a relatively static network with a very modest growth in wagon capacity. This was possible due to intensive utilization of assets as reflected in Net Tonne Kilometres per wagon day, which was 710 in 1950-51 rose to 1894 in 1997-98 and Net Tonne Kilometres per annum per route Kms which was 1500 NTKMs in 1950-51 grew to 6500 NTKMs in 1997-98. It is also noteworthy that the above were achieved despite lack of

dedicated freight corridors and heavy increase in the number of passenger carrying trains. Railways efforts to improve the utilisation further *inter alia*, include, introduction of high horse power diesel and electrical locomotives on important freight routes, augmenting the fleet of bottom-discharge wagons conducive to fast release, introduction of engine on loading/unloading of wagons at terminals and development of certain identified terminals as nodal ones and use of information technology to monitor movement of rolling stock.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 24.2.2000]

Revised Reply of the Government

Improvement in the utilisation of assets has always been a priority area of action for the Railways. Freight loading has grown from 73.2 million tonnes in 1950-51 to 420.9 million tonnes in 1998-99, registering a growth of about 475%. Transport output in terms of net tonne kilometres (NTKMs) has grown from 37.6 billion NTKMs to 281.5 billion NTKMs during this period (649% increase), while the route kilometre grew by only 17% and wagon capacity by 160% during this period. Thus, 649% increase in transport output took place over a relatively static network with a very modest growth in wagon capacity. This was possible due to intensive utilization of assets as reflected in Net Tonne Kilometres per wagon day, which was 710 in 1950-51 rose to 1904 in 1998-99 and Net Tonne Kilometres per annum per route Kms, which was 1.5 million NTKMs in 1950-51 grew to 6.32 million NTKMs in 1998-99. It is also noteworthy that the above were achieved despite lack of dedicated freight corridors and heavy increase in the number of passenger carrying trains. Railways efforts to improve the utilisation further *inter alia*, include introduction of high horse power diesel and electrical locomotives on important freight routes, augmenting the fleet of bottom-discharge wagons conducive to faster release, introduction of engine on load concept during loading/unloading of wagons at terminals and development of certain identified terminals as nodal ones and use of information technology to monitor movement of rolling stock.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 20.12.2000]

Recommendation [Para No. 156 (a)]

The Committee note that the freight projections of the Ninth Plan have been made on the basis of the analysis of the past performance of the users, the present status of their expansion programme as also the estimation of the likely time frame of new plans coming on stream, the Railways' capacity to augment their fixed infrastructure and production capacity of their units engaged in the manufacture of locomotives/coaches, etc. In the circumstances the Committee feel that the task of lifting additional freight traffic and meeting the requirements of different user sectors require both short-term and long-term strategies. In the short term, the capacity should be augmented through acquisition of additional rolling stock, improvement in terminal operations and speed of goods trains and encouraging private sector participation in possible areas of operation. In the long term strategy, the capacity should be augmented through improvement in the handling systems at terminals in close coordination with the users, improvement in wagon designs, development of high horse power locomotives and introduction of heavier trains, construction and operation of heavy haul freight routes etc. Sharing of cost between the Railways and the users for introducing mechanical handling devices to reduce wagon detention time should also be considered. Ensuring fast movement and timely delivery of goods can also bring back the traffic from road. It will not be out of place to mention that punctuality of trains must be adhered to and action be taken against all such Railway officials, found guilty in not maintaining punctuality. Local trains should be given preference over Mail/Express trains during morning and evening hours so that office-goers and other co-passengers are not put to harassment.

Reply of the Government

The 9th Plan traffic projections of the Railways, took a medium/long term view of rail transport demand scenario and provided for formulation of strategies accordingly. As a part of its long-term strategy Indian Railways have invested in acquisition of high horse power (hp) electric (6000 hp ABB) and diesel (4000 hp General Motor) locomotives and are contemplating upgrading its major freight routes to suit running of heavier trains by making the track fit for 22.1 tonne axle load. Besides, a new wagon dedicated to movement of steel traffic is under design. Participation of the private sector in development/upgradation of freight terminals is also being encouraged.

Short-term strategies of the Railways are formulated through the Annual Plans, which provide for acquisition of wagons & locomotives as well as for short-gestation traffic facility works for improving terminals and speeds of goods trains, keeping in view the demand projections, obtained for every year from the user ministries/organisations.

The user ministries/departments/organisations projected the rail-borne freight traffic to go up from 409 million tonnes in 1996-97, the last year of the 8th Plan, to a level of 614 million tonnes by 2001-02, the terminal year of the 9th Plan. Although, the time-trend analysis indicated about 490 million tonnes of revenue earning freight traffic by the end of the 9th Plan, the Railway, in view of the optimism expressed by the user ministries, as reflected in their demand projection of 614 million tonnes fixed the target at 525 million tonnes to be achieved by 2001-02.

During the 1997-98, Indian Railways loaded as per its target of 430 million tonnes. Keeping in view the objective of achieving 525 million tonnes by 2001-02 a target of 450 million tonnes of revenue earning freight traffic was set for the 1998-99. Due to slow down in the economic activity in the country leading to slump in demand for rail transport, freight loading did not pick up as was projected by the users. Unfair competition from certain sections of the road sector who have been over loading trackes beyond the permissible limits under the Motor Vehicles Act worsened the situation further for the railways. Consequently, Railways ended the year with 420.90 million tonnes of freight loading registering a shortfall of about 29 million tonnes and a loss of Rs. 1056 crores in earnings (RE). This has adversely affected Railways long term plans for augmentation of transport capacity, and Railways have been constrained to reduce their plan size and reduce acquisition of wagons and locomotives. In order to put the railways into a fast track of growth, it would be necessary to make the railways freight rates competitive *vis-a-vis* other modes. Reducing the element of intra-freight cross subsidy and subsidy on passenger segment of the railways business would be an integral part of this exercise.

Punctual running of passenger services is one of the key areas, which is monitored at the highest level. All internal failures are analysed and strict disciplinary action is taken against the staff responsible. However, there are far too many circumstances beyond the control of the Railways which affect punctuality. These factors are

bandhs, law and order problem, floods, breaches and stoppage of rail travel for issues not connected with the Railways. Local trains are generally given preference in the morning and evening hours. However, in case it is strictly adhered to, punctuality of long distance Mail/Express trains will suffer substantially as there is total saturation of capacity on the system.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

Recommendation (Para No. 159)

The Committee note that there is an urgent need for construction of Rail Yatri Niwas at important stations. In the first instance the Committee desire that Rail Yatri Niwas be constructed on priority basis at Ajmer Sharief, Chandigarh, Amritsar, Chennai, Bangalore, Lucknow, New Jalpaiguri, Guwahati and Mumbai.

Reply of the Government

100 locations have been identified for the provision of Rail Yatri Niwas on Indian Railways. As a Corporation on Catering and Tourism is being set up under the Ministry of Railways, the new Corporation will take appropriate action regarding construction of Rail Yatri Niwas at these locations in collaboration with public/private sector.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

Recommendation [Para No. 160 (a)]

The Committee find that the Railways have 6986 stations all over India. The Committee express their serious concern over the non-availability of even basic amenities at these stations as well as in the trains. There are number of stations where even drinking water is not available. Therefore, passenger amenities must form the most important issue in the railways. Sad to say, even though the passenger fares are hiked year after year, the passenger amenities have been badly neglected by the Railways. There is no provision of medical attendance in long distance trains. This is one of the basic needs of the passengers. Railways do not pay any heed to this very reasonable demand of the passengers. The Committee strongly recommend that the Railways should make appropriate arrangement for medical attendance in trains, especially in long-distance ones, without any further delay. They are also of the firm view that the medical facilities must be provided at all important stations.

Reply of the Government

Indian Railways have taken care to provide basic amenities at all stations. The adequacy of these amenities are verified periodically and deficiencies if any, noticed are made good. Drinking water being a basic amenity is available at all stations in one way or other. The scale of amenities at stations do not have any direct relation with the fare structure and is based on the volume of passenger traffic handled at a particular station. Regular attention is paid to the condition of coaches and all passenger amenity fittings are restored in good working condition during maintenance at base depot. Intensive monitoring is carried out under "Own your train" and "Zero missing fitting" drive in addition to surprise inspections to keep the coaches in good fettle. Railways have also introduced improved design features like UIC vestibules, pilfer-proof FRP windows, PVC flooring and stainless steel toilet inlays, 110 Volt lights and fans etc. for improvement in quality of services.

As regard medical facilities Indian Railways are having a well-established system of rendering medical aid to passengers in the trains en-route. At present all long distance trains are provided with first aid boxes containing essential drugs. First aid boxes having additional medicines, disposable syringes, etc. are also available with the Trains Supdt., Pantry Car Manager of Rajdhani Express and a few other superfast trains. The guards are trained in first aid. Services of doctors, travelling as passengers, can also be requisitioned to attend to the passengers in need of medical assistance in emergency. In addition, in emergencies doctors can be summoned to stations where the trains halt, by transmitting messages in advance. Station managers have details of doctors of both Government and Private Hospitals. The patient can be detrained at station for detail medical attention and a train can make unscheduled halt if so warrants. The present system of medical aid in long distance trains is adequate to take care of passengers falling ill.

In this context, experiences gained by running pilot project of medical team in 2 pairs of long distance trains such as Rajdhani Express between Mumbai to New Delhi and back and Vaishali Express between Gorakhpur to New Delhi and back, is worth mentioning. It is observed that the system is neither cost effective nor serve the purpose of medical aid to seriously ill patients.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

Recommendation [Para No. 161 (c)]

The Committee are of the firm opinion that the Indian Railways have been caught in a financial whirlpool and if timely rescue operations are not resorted to on a war-footings, the railways will go down into a deep gorge of losses from where there will be no way out again. Therefore, the Committee, keeping into account all the delicacies and intricacies the Railways are facing today, recommend that both the Planning Commission and the Ministry of Finance must sit together and seriously ponder over the larger interest of the Railways and expeditiously arrive at a suitable perspective planning with adequate resources. The Committee should be informed of the action taken in this regard within 3 months.

Reply of the Government

In order to deploy the resources more optimally the Railways have prioritised the Gauge Conversion and New Line Projects, where the problem of throw-forward is particularly heavy. Railways have also embarked upon revenue generation exercise by offering value added services, aggressive marketing of their products, introduction of more efficient operating practices like engine on load system etc. The Committee's concern in regard to the Railways' financial position is noted and the Planning Commission and Ministry of Finance have been suitably addressed on this issue.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

Recommendation (Para No. 162)

The Annual Plan 1999-2000 of the Railways have been estimated at Rs. 9,700 Crores against the allocation of Rs. 9,500 Crores made during 1998-99. The allocation for 1998-99 was revised to Rs. 8,755 Crores due to less generation of internal revenue and accordingly sharp reductions were made especially under Plan Heads, namely New Line, Gauge Conversion, Track Renewals, Signalling & Telecommunication Works, Electrification Projects, Passenger Amenities and Metropolitan Transport Projects. Budgetary support *i.e.* capital at charge remained the same at Rs. 2,200 crores. Ironically the outlays under the Plan Heads such as New Lines, Electrification and Metropolitan Transport Projects which are funded from the Capital Support were provided less funds to the order of Rs. 481 crore. The Committee fail to

understand as to why the Railways reduced the allocations made under the Plan Heads which are exclusively funded from the budgetary support. They also urge the Government not to divert the funds in future. The Committee further suggests that funds generated from market borrowings and internal resources be spent for the augmentation of physical capacity (*i.e.* rolling stock etc.) of Railways and funds provided under Budgetary Support be utilized invariably for the expansion of Railway network.

Reply of the Government

The plan outlay for the year 1998-99 had to be reduced taking an overall view of the traffic offerings and earnings. As a result of the reduction in plan size, it was inevitable that the expenditure under the various planheads be curtailed.

Budgetary support from the Central Government is normally utilised for projects under the heads of New Lines, Electrification and Metropolitan Transport Projects and for projects for the North-Eastern Region under all planheads.

As a result of the reduced plan size, it became necessary to undertake reallocation of funds and in doing so, the overall requirements of the Railways as also the need to assign a higher priority to projects which were in an advanced stage of completion were considered so that benefits from them could accrue to Railways.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

Recommendation [Para No. 163 (c)]

Mobilization of resources through market has become a hard option as the already existing borrowings are eroding the internally generated revenues of the Railways. The Committee are convinced that any attempt at increasing revenues or reducing expenditure is futile and self-defeating in the current Indian context. Moreover, the demand of the Railways as a public utility would expand in the new millennium. The Committee are of the opinion that to keep pace with the accelerated growth of economy, budgetary support is a must and indispensable to the Railways and its requirement must be assessed at the highest level in the Government. Keeping in view the role of the railways in the overall growth of GDP, the Committee strongly urge the Planning Commission and the Ministry of Finance to enhance the budgetary support, at least to the level of 10% of the total Central budgetary support, to the Railways.

Reply of the Government

Railways fully agree with the observations of the Committee. It is indeed imperative that the budgetary support provided to Railways by the Central Government is enhanced to at least 10% of the total Central budgetary support, if not more.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

Recommendation [Para No. 164 (a)]

While examining the issue of prioritisation of on-going projects, the Committee were informed by the Railways that all ongoing Doubling projects would be completed in 5-6 years, electrification projects in 4-5 years and Metropolitan Transport projects in 3 years. The Railways informed the Committee that there was no need for prioritising these projects. However, they submitted before the Committee that the Railways are facing problems in case of New Lines and Gauge Conversion works where a huge throw-forward of about Rs. 29000 crores is still existing and they are finding it difficult to mobilise adequate resources for these projects. Accordingly, as stated by the Railways, prioritisation of all projects falling under these two categories has been done so that allocation of resources could be made on a rational basis. The Railways further stated that during the last 10 years priority has been accorded to those projects which were required on urgent operational and strategic considerations. However, the Railways did not furnish the list of all the projects prioritised by the Government even after repeated reminders from this Committee. The Committee take a very serious view of this attitude of the Government towards them.

Reply of the Government

The priority list of projects as approved by CCEA for the information of the Committee is given as under:—

Priority list of new line and gauge conversion projects as approved by CCEA

Prioritisation of New Line Projects

Priority Category	S.No.	Project	Km.	Cost	Throw forward as on 1.4.99	\$Priority fixed by the previous Govt.
1	2	3	4	5	6	7
		Priority A1—Completed projects, residual works in progress.				
A1	1	Talcher-Sambalpur	174	389	17	A-1/2
		Total	174	389	17	
		Priority A2—Viable projects/those required on operational considerations.				
A2	1	Daitari-Banspani	155	590	395	@A-1/4
A2	2	Dhamnavaram-Penukonda via Puttaparthi	60	94	94	A-III/25

1	2	3	4	5	6	7
A2	3	Dallirajahara-Jagdarpur*	135	367	363	Category II/61
A2	4	Parvel-Karjat	28	107	92	B/30
A2	5	Hubli-Ankola	164	483	473	A-III/13
A2	6	Amrawati-Narkher	138	175	149	B/35
A2	7	Kakinada-Kotapalli**	45	51	51	B/38
A2	8	Haridaspur-Paradeep	78	300	288	@A-III/12
A2	9	Angul-Sukinda Road	90	246	243	A-III/14
Total			893	2413	2148	
Priority A3 Projects nearing completion and those which will get completed in 9th Plan.						
A3	1	Kapadvanj-Modasa	59	41	27	B/45
A3	2	Bongaon-Petrapole	6	7	4	Inadvertantly left over

**Clearances yet to be obtained.

*Sail is providing full cost for 1st phase work from Dallirajahara to Rowghat. For the rest of the line SAIL is providing finances to the tune of Rs. 75 crs. at 7% interest to be adjusted through freight concessions, M.P. Govt. will be providing land free of cost worth Rs. 25 crs. and rest of the money is to be given by the Railway out of total cost of Rs. 363 crs. Railway share will be Rs. 128 cr.

1	2	3	4	5	6	7
A3	3	Katra-Faizabad	7	51	31	B/33
A3	4	Guna-Etawah	348	350	140@	A-I/5
A3	5	Laxmikantapur-Namkhana	47	100	43@	A-III/11
Total			467	549	245	
Priority B1—Projects in Jammu & Kashmir Project to be funded from Railway's Plan						
B1	1	Jammu Tawi-Udhampur	53	345	40	A-I/3
Total			53	345	40	
National Project to be funded from outside the Railway's Plan						
B1	2	Udhampur-Srinagar-Baramula	290	2500	2348	Category II/60
Total			290	2500	2348	
Grand Total B1			343	2845	2388	
Priority B2—Projects in North East Region.						
B B2	1	Jogighopa-Guwahati	142	642	68	A-I/1
B2	2	Harmuti-Itanagar	33	156	146	A-II/10

@updated cost.

1	2	3	4	5	6	7
B2	3	Dudhnoi-Depa	15	22	19	A-II/6
B2	4	Kumarghat-Agartala	119	875	849@	A-II/7
B2	5	Bogibeel bridge	46	1000	998	A-II/8
B2	6	Diphu-Karong	123	1604	1604	A-II/9
Total			478	4299	3684	
Priority B3—Projects involving major bridges costing over 100 crs.						
B3	1	Patna-Ganga bridge**	16	600	598	A-III/19
B3	2	Rail Bridge on Ganga at Munger	12	600	599	A-III/21
Total			28	1200	1197	
Priority C—Socially desirable projects						
C1—Projects Already cleared						
C1A—Projects having higher priority amongst C1						
C1A	1	Restoration of Fatua-Islampur	45	49	48	New work
C1A	2	Rajgir-Hisua-Tilaya	27	49	48	New work

@ Updated Cost

**Clearances yet to be obtained

1	2	3	4	5	6	7
C1A	3	Lalitpur-Satna & Rewa-Singrauli	627	925	924	B/51
C1A	4	Chandigarh-Ludhiana	95	248	247	A-III/16
C1A	5	Bishrampur-Ambikapur	23	40	40	A-III/27
C1A	6	Ara-Sasaram	98	120	115	A-III/20
C1A	7	Eklakhi-Balurghat	87	82	57	B-36
C1A	8	Nangal Dam-Talwara	83	150	118	B/31
C1A	9	Beas to Dera Baba Jaimal Singh	5	4	4	Inadvertantly left over
C1A	10	Munirabad Mehboobnagar	222	380	375	A-III/29
C1A	11	Howrah-Amta	73	120	89	B/39
C1A	12	Tamluk-Digha	87	74	35	B/40
C1A	13	Hassan-Bangalore	166	295	268	A-III/23
C1A	14	Karur-Salem	85	136	116	B/47
C1A	15	Godhra-Indore-Dewas-Maksi*	316	297	280	B/44

1	2	3	4	5	6	7
C1A	16	Giridih-Koderma	105	145	144	A-III/18
C1A	17	Ranchi-Barkakhana-Hazaribagh Koderma	139	491	491	New work
C1A	18	Sakri-Hassanpur	76	90	76	A-III/15
C1A	19	Muzaffarpur-Sitamarhi	63	100	98	A-III/17
C1A	20	Angamali-Sabarimala	116	550	550	B/48
		Total	2588	4345	4123	
		C1B--Other Projects not covered in C1A				
C1B	1	Ahmednagar-Beed-Parli Vaijath	250	353	351	B/50
C1B	2	Mandarhill-Rampurhat <i>via</i> Dumka	130	170	164	B/32
C1B	3	Khagaria-Kusheshwarsthan	44	78	77	A-III/22
C1B	4	Peddapally-Karimnagar-Nizamabad	177	261	238	B/37
C1B	5	Nandyal-Yerraguntla	126	156	153	B/42

*Dewas to Maksi will be completed first.

1	2	3	4	5	6	7
C1B	6	Lanjigarh Road-Junagarh	54	100	89	B/34
C1B	7	Khurda Road-Bolangir	289	353	348	B/41
C1B	8	Kottur-Harihar	65	66	66	B/46
C1B	9	Kadur-Chickmagalur-Sakleshpur	100	157	150	B/43
C1B	10	Dausa-Gangapur	93	152	151	B/49
C1B	11	Macherla-Nalgonda	32	48	48	B/58
Total			1360	1894	1835	
C2—Project yet to be cleared.						
C2A—Projects having operational priority which will go to category C1A after clearances						
C2A	1	Dumka-Devghar	60	180	180	New work
C2A	2	Taran Taran-Goindwal	21	25	25	A-III/26
C2A	3	Duraunda-Maharajanj	6	4	3	B/57
C2A	4	Kopargaon-Shirdi	16	32	32	B/53
C2A	5	Abohar-Fazilka	25	30	30	B/56
C2A	6	Kalka-Parwanoo	7	23	23	B/59
Total			135	294	293	

1	2	3	4	5	6	7
		C2B—Other socially desirable projects which will go to category C1B after clearance				
C2B	1	Baramati-Lonad	54	75	75	B/52
C2B	2	Etawah-Mainpuri	60	120	120	A-III/28
C2B	3	Gulbarga-Bidar	116	242	242	B/54
C2B	4	Gadwal-Raichur	60	93	92	New work
C2B	5	Bangalore-Satyamanglam	200	225	225	A-III/24
C2B	6	Kottayam-Erumeli	43	200	200	B/55
		Total	533	955	954	
		Grand Total	16924			

56

Throwforward of Rs. 16924 cr. does not take into account cost escalation and is based on current costs.

Priorities as fixed by previous Government.

CATEGORY-I Lines to be funded from Railway's Plan funds.

PRIORITY 'A'

A-I Lines Required on operational considerations and planned to be completed in 9th plan period.

A-II Lines taken up in the NORTH EAST REGION.

A-III Lines required on operational considerations other than falling in category A-I and other lines considered necessary from the view point of developing backward areas with relatively a higher priority.

B. Lines taken up on developmental considerations.

CATEGORY-II Lines to be funded outside the Railway's Plan.

Prioritisation of Gauge Conversion Projects

Priority Category	S.No.	Project	Km.	Cost	Throw forward as on 14.99	Priority fixed by the previous Govt.
1	2	3	4	5	6	7
Priority A1—Completed Projects, Residual Works in Progress						
A1	1.	Lunding-Dibrugarh	628	592	1	AI-6
A1	2.	Madras Beach-Tiruchchirappalli	340	426	40	AI-4
A1	3.	Hajipur-Bachwara	67	67	1	completed
A1	4.	Secunderabad-Dronachalam	331	307	9	AI-5
A1	5.	Bangalore-Hubli-Birur-Shimoga	469	431	49	#All-11
A1	6.	Mysore-Hassan	119	149	12	AI-7
A1	7.	Phulera-Marwar-Ahmedabad	572	632	40	completed
A1	8.	Luni-Marwar and Jodhpur-Luni	102	93	9	AI-3
A1	9.	Hospet-Hubli-Goa	489	531	49	completed
Total			2526	2605	210	

#Updated cost

1	2	3	4	5	6	7	
		Priority A2—Viable projects/those required on operational considerations					
A2	1.	Surendernagar-Bhavnagar	385	337	307	AII-24	
A2	2.	Wankaner-Malia Miyana	90	79	64	B-50	
A2	3.	Gandhidham-Palanpur	318	318	318	New Work	
A2	4.	Mudkhed-Adilabad	162	115	74	C-II/52	
A2	5.	Kanpur-Kasganj-Mathura	458	395	355	AII-14	
A2	6.	Arsikere-Hassan-Mangalore	236	185	87	AI-1	
A2	7.	Thanjavur-Villupuram main line	192	223	223	New work	
A2	8.	Sriganganagar-Sarupsar	116	69	69	B-47	
A2	9.	Dindigul-Trichy	93	89	0	B-47	
A2	10.	Dharangadhara-Kuda siding	22	9	6	Category II-53	
A2	11.	Narkatiaganj-Valmikinagar	50	45	2	AII-1B	
A2	12.	Mathura-Achnmera	35	20	20	AII-25	
A2	13.	Khadda-Gorakhpur	86	58	0	AII-16	
A2	14.	Guntur-Guntakal & Guntakal-Kalluru	458	502	58	AII-23	
A2	15.	Secunderabad-Mudkhed & Jankham-pet-Bodhan	256	283	278	AII-23	

1	2	3	4	5	6	7
A2	16.	Gondia-Chandafort	242	233	1	AI-2
A2	17.	Rajkot-Veraval	155	100	81	B-45
A2	18.	Neemuch-Ratlam	135	117	103	AII-20
A2	19.	Agra-Bandikui	151	150	139	AII-19
A2	20.	Bhildi-Samdari	157	185	185	Frozen
A2	21.	Ajmer-Udaipur-Chittaurgarh	300	262	242	AII-10
A2	22.	Gonda-Gorakhpur Loop	250	250	250	AII-31
Total			4347	4024	2862	
Priority A3--Projects nearing completion and those which will get completed						
A3	1.	Indara-Phephna	51	35	5	AII-28
A3	2.	Kashipur-Lalkuan	60	47	40	B-41
A3	3.	Katpadi-Pakala-Tirupati	104	113	81	AII-15
A3	4.	Solapur-Gadag	300	275	147	Inadvertantly left over

1	2	3	4	5	6	7
A3	5.	Gandhidham-Bhuj	58	41	33	B-38
A3	6.	Rewari-Sadulpur	141	198	198	B-51
A3	7.	Rewari-Delhi 2nd line	83	59	37	AII-22
A3	8.	Bhildi-Viramgam	157	155	150	AII-9
Total			843	840	646	
Priority B1—Projects taken up on strategic considerations						
B1	1.	Luni-Barmer-Munabao	300	240	219	AIII-33
Total			300	240	219	
Priority B2—Projects in North East Region						
B2	1.	New Jalpaiguri-Siliguri-New Bongaigaon	280	468	468	AIV-35
B2	2.	Lumding-Silchar	198	648	606	AIV-34
B2	3.	Katakhal-Bairabi	84	200	200	AIV-36
Total			562	1316	1274	

1	2	3	4	5	6	7
Priority C—Socially diserable projects						
C1—Projects already cleared						
C1-A—Projects having higher priority among C1 category projects						
C1A	1.	Jayanagar-Darbhanga-Narkatiaganj	260	233	233	AII-29
C1A	2.	Randhi-Lohardaga with extention to Tori	110	147	135	AII-21
C1A	3.	Mansi-Saharsa	155	210	182	AII-17
C1A	4.	Jabalpur-Gondia including Balaghat-Katangi	285	386	366	B-40
C1A	5.	Madurai-Rameshwaram	161	240	240	B-42
C1A	6.	Samastipur-Khagaria	86	70	70	AII-8
Total			1060	1286	1227	
C1B-other projects not covered in C1A among C1 category projects						
C1B	1.	Rupsa-Bangariposi	89	58	54	B-46
C1B	2.	Miraj-Latur	359	314	252	B-43
C1B	3.	Tiruchchirappalli-Nagore	200	138	60@	B-48
Total			648	510	368	

@Trichy-Thanjavur completed, rest of the work slowed down due to refineries not coming up yet.

1	2	3	4	5	6	7
C2- Project yet to be cleared						
C2B- Other socially desirable projects, which will go to category C1B after clearance						
C2B	1.	Bankura-Damodar River (BDR) railway line	96	100	100	New work
C2B	2.	Gonda-Bahraich	60	48	48	B-39
C2B	3.	Katihar-Jogabani	108	100	100	AII-32
C2B	4.	Dharmavaram-Pakala	227	200	200	B-37
C2B	5.	Naupada-Gunupur	90	47	47	B-44
C2B	6.	Mysore-Chamarajanagar	210	175	175	AII-27
C2B	7.	Quilon-Tirunelveli & Tenkasi-Virudhnagar	357	280	280	AII-30
C2B	8.	Villupuram-Pondicherry	37	30	30	B-49
Total "C2B"			1185	980	980	
Grand Total					7784	

Throwforward of Rs. 7784 cr. does not take into account cost escalation and is based on current costs.

Priorities as fixed by previous Government.

Category-I: Lines to be funded from Railway's Plan funds.

Priority 'A'

A-I Those projects which are in advanced stage of progress and most of them will be completed in 1997-98.

A-II Projects having operational priority.

A-III Projects taken up on strategic consideration.

A-IV Projects taken up on NE region.

B Projects taken up on developmental/missing link consideration.

Category-II: projects to be funded from funds outside Railway's Plan.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 9.11.99]

Recommendation [Para No. 164 (b)]

New projects should be taken up with proper prioritisation. Keeping in view not only the commercial or economic aspect but also the social aspect of serving the people, especially of the remote rural areas, hills and north-eastern states. There cannot be a set of uniform criteria for every part of the country, whether it is developed or undeveloped. Each of the areas has its own peculiarities and unique features. Those are to be taken into consideration while preparing a new project for undeveloped areas. The construction of Railways will open up certain hitherto unopened backward areas to commercial and economic activities. The Committee are of the firm view that the Ministry of Railways must keep these points in view and go in for new Railway projects in backward areas of the country.

Reply of the Government

Committee's observations are noted. Railways follow a systems approach to build new lines to enhance the aggregate capacity of the network. This has led to laying down of following objectives for the construction of new lines:

project-oriented lines to serve new industries or tapping mineral and other resources;

missing links or complete alternative routes to relieve cogestion on existing saturated routes;

lines required for strategic reasons; and

lines for establishment of new growth centers or giving access to remote areas.

These objectives are in line with the recommendations made by National Transport Policy Committee and Railway Reforms Committee. It has also been decided to extend the rail transport infrastructure in the NF Region and also to the backward and tribal areas.

However, with the huge shelf of New Line and Gauge Conversion projects in the backward areas, taking up too many economically unviable projects will worsen the financial situation of the Railways as noted by the august Committee against Item No. 161(b) above.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

Recommendation [Para No. 164 (c)]

The Committee were also informed that investments in Railways infrastructure are planned keeping in view the traffic requirements and regional imbalance. However, they find that the investments are made arbitrarily. The Committee are of the view that the Railways do not adhere to the above criteria strictly and instead allocate resources adversely to the idea of regional balance. The Committee express their unhappiness over the fact that the Railway Board do not involve the Regional Railways in the process of fixing the prioritization of the projects which leads to diversion of funds due to non-utilization of funds allocated for a particular projects.

Recommendation [Para No. 164 (d)]

The Committee therefore, recommend that the Regional Railways be associated closely while fixing the criteria of prioritization of projects and that prioritization criteria should be more realistic and designed to accord top most priority to those projects which (i) are at the most advanced stage of completion (ii) are important in view of their strategic and operational consideration and (iii) are socially desirable in removing regional imbalance. They also desire that the on-going projects must be monitored vigorously to ensure their completion on time to avoid time and cost over-run. In order to facilitate cargo movement from one port to another the Committee strongly recommend that all the ports should be interconnected by the Railway network. They are of the opinion that the Planning Commission and Ministry of Finance should provide sufficient funds for the purpose.

Reply of the Government

Investment Planning on the Railways is a need based exercise where operational necessities, national and strategic considerations, and social desirability determine the allocation of resources. Zonal Railways are fully involved in the investment planning process and diversion of funds from one project to another is resorted to only when administrative exigencies so demand.

Railways have an elaborate mechanism headed by the Members of the Railway Board for monitoring the progress of projects. Progress of important projects is also monitored by the Department of Programme Implementation, Prime Minister's Office and the Cabinet Secretariat.

All major and a number of minor ports are already connected to the Railway network. Providing connectivity to other ports as and when they come up is an ongoing process and will be undertaken as required and subject to availability of resources.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

Recommendation (Para No. 166)

In their 'White Paper on Railway Projects' the Ministry of Railways have stated that 40-45% of the total Railway Plan allocation go towards Rolling Stock, 20% towards Basic Infrastructure Network Requirement and the rest for Track Renewal, Signalling/Telecommunication, etc. During the current financial year also, a sum of Rs. 3,905 Crores, which is 40.25% of the total Railway Plan (*i.e.* Rs. 9,700 Crores) has been earmarked for Rolling Stock and Rs. 1,895 Crores, which is 19.53% of the total Plan to the Basic Infrastructure Projects which include New Lines, Gauge Conversion, Doubling, electrification and Metropolitan Transport Projects. The Committee, in this regard, find that although these basic infrastructure projects attract the maximum public attention, they receive only very meager funds. The Committee therefore, desire that funds allocation for basic infrastructure projects should at least be 25% of the total Plan or at least be at par with budgetary support the Railways get from the Central Exchequer.

Reply of the Government

Plan-size of the Railways is based on the quantum of revenue generated which in turn is based on a realistic assessment of traffic offerings; extent of budgetary support and a sustainable level of market borrowings, and the extent of budgetary support.

Plan funds are distributed according to the requirement of funds under the individual Plan-Heads, within the total plan size and taking an integrated view of the requirements of the system as a whole.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

Recommendation (Para No. 167)

The Committee observe that during 1998-99 New Line projects were provided Rs. 500 crs. which were later on revised to Rs. 378 crs. During the current year the budgetary estimates for the same have been fixed at Rs. 600 crs. The allocation for new lines are funded from the Capital Support the Railways are getting from the General Exchequer. The Committee note that due to inadequate generation of surplus revenues required to fund the Railway Plan internally, the Railways made cuts in the Plan outlays under various Plan-Heads at the Revised Estimates stage. Time and again the Railways have informed this Committee that the new line projects are a critical area for them to decide the allocation. The Committee have also been informed that as on date a huge throw forward of Rs. 20000 crs. is existing in respect of these new lines projects. The Ministry of Railways conceded candidly that at the present level of investment *i.e.* Rs. 500-600 crs. per year, it will take 30 to 40 years to complete these projects. They also informed the Committee that the ideal shelf of such projects should be six times of the annual outlay and that more than Rs. 3000 crs. were required annually to execute the projects within the stipulated time of 5-7 years. During the course of evidence, the Planning Commission informed the Committee that between 1994-95 and 1998-99, 41 New Line projects costing Rs. 13,613 crs. had been added to the long list of pending new lines projects by the Railways without requisite prior clearance from the respective authorities.

(b) The Committee express their serious concern over this unwarranted situation created by the Railways due to their craze for adding new projects unabatedly over the years without arranging adequate funds for the projects. The Committee also deprecate the approach of the Railways to include the new projects in their 'Pink Book' without getting prior requisite clearances. They are of the considered view that the Railways should take up for implementation only those projects on priority basis which are strategically and operationally needed. Projects for the development of socially backward areas may be taken up only when the required funds are made available. However, the Committee recommended that all the pending projects meant for development of backward areas should be given top most priority by providing sufficient funds. The Committee further recommended that all the new projects be taken up only after obtaining the requisite prior approval of the relevant agencies. They are of the opinion that the new projects may not be imposed vertically on the Railways from the top by the Government without ensuring availability of requisite funds for execution of such projects.

Reply of the Government

In the past, several new projects were included in the Railways Budgets without obtaining prior clearances and even without ensuring availability of requisite funds as correctly pointed out by the Committee. While it is almost impossible to drop any project in view of the aspirations which has been aroused in the people of the region being served by the projects, this situation has been proposed to be tackled by prioritisation of new line and gauge conversion projects as already informed to the Committee. Further, it has been decided by this Government to strictly adhere to the laid down procedure for obtaining prior clearances which provide for the aspect of availability of resources to be also gone into before including any new project in the Budget.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

Recommendation (Para No. 169)

The Ministry of Railways informed the Committee that after New Line Projects, Gauge Conversion Projects are a major concern for them and that a throw forward of about Rs. 9000 crores in case of Gauge Conversion Projects is still pending. At the present level of investment of about Rs. 800 crs. per annum it will take 10-11 years to complete all the pending and ongoing Gauge Conversion projects. The total backlog of Gauge Conversion projects would be 8434 kms as on 31 March, 1999. The financial and physical targets in respect of Gauge Conversion Lane been fixed at Rs. 645 crores and 541 kms. respectively during 1999-2000. The Committee note that given the present rate of physical target it will take around 16 years to complete the on-going and pending Gauge Conversion projects. The Ministry of Railways once again attributed the reasons of delay in these projects to the non-availability of adequate resources. The Committee express their concern over this state of affairs and urge the Ministry to accord top most priority to those Gauge Conversion projects which are economically viable and will augment their traffic capacity relatively more so that enough internal resources could be generated to fund the Railway Plan projects.

Reply of the Government

The Ministry of Railways with the approval of Cabinet Committee on Economic Affairs have prioritised the new line and gauge conversion works. These works are being progressed as per the priority fixed subject to availability of resources.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 9.11.99]

Recommendation [Para No. 170 (a)]

During the financial year 1998-99, Rs. 251 crore were provided for the development of Metropolitan Transport Projects but the same were revised to Rs. 198 crore. The Metropolitan Transport Projects are funded entirely from the budgetary support the Railways are getting from the General Exchequer every year. Ironically due to scarcity of internally generated resources a cut of Rs. 53 crore was made in Metropolitan Transport projects also, when the budgetary support remained the same i.e. Rs. 2200 crore. The Committee fail to understand the logic of reducing funds especially in those areas where the funds are arranged from the Capital Support. During 1999-2000, the Railways have allocated Rs. 300 crore for the development and implementation of MTP Projects. The Committee, recommend that the Railways should not make any reduction in outlays earmarked for MTP Projects in future and implement these projects in right earnest.

Reply of the Government

The Railways Plan is financed through three main resources- (i) internal resources, (ii) market borrowings through IRFC & other schemes and (iii) Capital from the General Exchequer (Budgetary Support). In 1998-99 internal resource generation suffered a severe setback on account of fall in earnings as a result of reduced loading and increased pensionary liabilities due to implementations of the recommendations of the Fifth Central Pay Commission. To meet this shortfall, cuts were made both in the Plan and Non-Plan expenditure.

The cut in Plan expenditure has to be seen in the context of the source of funding for each Planhead. There are certain Planheads like MTP, New Lines and Staff Quarters which are funded wholly from Capital from the General Exchequer (Budgetary Support). Other Planheads such as Rolling Stock, Gauge Conversion, Doubling, Traffic Facilities, etc. are funded from more than one of the sources, mentioned above.

At the time of applying the cut in 1998-99, care had to be taken to see that no single Planhead was affected adversely. The cut made in the internal resource component of the Planhead 'Rolling Stock', which covers allocation for procurement of locos, wagons, coaches and other important rolling stock items was Rs. 525 crore. To partially compensate for reduction in this important Planhead, an additional

allocation of Rs. 253 cr. had to be made from Budgetary Support and Rs. 180 cr. from market borrowings. It was possible to allocate funds from Budgetary Support only by making cuts in the other Planheads, such as New Lines, MTP, Doubling, Traffic Facilities, etc. As regards the specific Planhead of MTP, it is submitted that the allocation of Rs. 251 cr was reduced to Rs. 198.50 cr. in the Revised Estimates also keeping in view the trend of expenditure. As it happens, the actual expenditure for the year came to Rs. 184.18 cr.

In the current year an additional provision of Rs. 200 cr. has had to be made for assistance to Konkan Railway Corporation to meet its financial obligations. Consequently, it has become necessary to apply a cut of the same amount in the Budgetary Support to other Planheads like New Lines, Gauge Conversion, Rolling Stock, Electrification Projects and MTP. The cut in MTP is only Rs. 30 cr; there will be an opportunity to review the requirement at the Revised Estimates stage. The Committee would appreciate the fact that despite this reduction, the outlay under the Planhead at Rs. 270 cr. (Net) is substantially higher than the actual expenditure of the previous year at Rs. 184.18 cr. Railways will make every effort to improve progress of the MTP projects.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 9.11.99]

Recommendation (Para No. 171)

Track Renewal has been one of the major components of the Railway Plan every year. Last year (1998-99) a sum of Rs. 1960 crore was allocated in the budget but later on at the Revised Estimate stage the same was reduced to Rs. 1262 crore. The Ministry of Railways informed the Committee that the reason for cut in the Plan Outlays under this Head was the low generation of internal resources. The Committee fail to understand the rationale that on the one hand the Ministry of Railways have declared track renewal as a major thrust area and have allowed reduction of outlays on the other. The Committee feel that in order to provide safe, efficient and fast traffic, track renewal is the need of the hour which cannot be compromised at any cost. Keeping in view the importance of track renewal, the Committee recommend that track renewal works be accorded foremost priority and adequate allocation should be made under this Head.

Reply of the Government

For the year 1998-99, the initial allotment for track renewal was Rs. 1960 crore, which revised to Rs. 1793 crores at the Revised Estimate stage.

For the year 1999-2000 funds for Track Renewal have been increased and the allotment is Rs. 2000 crores.

While the requirement of funds for track renewal is much higher than the present allocation, but which the funds made available for track renewal, preference shall be given to areas where Safety is involved.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 9.11.99]

Recommendation [Para No. 172 (a)]

Signalling and Telecommunication System plays a paramount rolls in ensuring safety of passengers and minimising the impact of human errors on train operations. During the year 1998-99 a sum of Rs. 361 crore was allocated to implement the projects under this plan Head. However, at the Revised Estimate stage this amount was reduced to Rs. 325 crore. The Committee fail to understand the reasoning of the Ministry that on one hand they announce Signalling and Telecommunication as a thrust/priority area and on the other they prune the allocations made under this Head at the Revised Estimate stage. The Committee take a very serious view of this indiscriminate out in the allocation of funds under this head.

Reply of the Government

Replacement/upgradation of Signalling & Telecom (S&T) systems for safety enhancement is a thrust area of Indian Railways. In this context Safety Sub-Systems like Track Circuiting, Last Vehicle Check by Axle Counter, Inter-locking & Provision of Telephones on Level Crossings, Train Radio Communication, Centralised operation of points & signals etc. are being progressively inducted on Indian Railways through judicious use of allocable resources.

During 98-99, severe resource crunch had been experienced. As a result Indian Railways were constrained to substantially prune the plan outlay at revised estimate stage of the Budget Review. The impact of Reduction on S&T Plan Head was, however, kept minimal, keeping the revised outlays at Rs. 325 crore.

All efforts are being made to allocate optimum funds for S&T systems within the overall constraint of resources. During 1999-2000, an enhanced outlay of Rs. 375 Cr. has been provided for.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 9.11.99]

Revised Reply of the Government

Replacement/upgradation of Signalling & Telecom (S&T) systems for safety enhancement is a thrust area of Indian Railways. In this context Safety Sub-Systems like Track Circuiting, Last Vehicle Check by Axle Counter, Interlocking & Provision of Telephones on Level Crossings, Train Communication, Centralised operation of points & signals, etc., as being progressively inducted on Indian Railways through judicious use of allocable resources.

During 1998-99, severe resource crunch had been experienced. As a result, Indian Railways were constrained to substantially prune the plan outlay at revised estimate stage of the Budget Review. The impact of Reduction of S&T Plan Head was, however, kept minimal, keeping the revised outlays at Rs. 325 crore.

All efforts are being made to allocate optimum funds for S&T systems within the overall constraint of resources. Under S&T Plan Head, during 1999-2000, the revised outlay was Rs. 348.19 crore and during 2000-2001, the revised outlay stands at Rs. 374.19 crore. These outlays are more than corresponding outlays in the previous years.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 20.2.2000]

Recommendation [Para No. 173 (c)]

Monitoring must be done not as a routinely conducted ritualistic manner but it must be effective, and for that purpose, proper evaluation studies should be taken up by independent agencies. Security and safety must be treated an integral part of the passenger amenities. The molestation and many other forms of harassment in the passenger

trains have of late, increase much beyond the level of tolerance of the public and sadly enough the Railway authorities are playing the role of mute spectators. This cannot be tolerated. When on the one hand railways say that resource crunch, lack of funds is hampering the pace of development of railway project, on the other there is too much pomposity in maintaining the Saloon Cars, which are nothing but show of feudalistic attitudes of the White-Sahibs who ruled the country in the past. Of late, it has been noticed that too much expenditure is being incurred on publicity. The Committee strongly feel that this amount must be used for providing passenger amenities and maintenance of coaches and railway tracks.

Reply of the Government

Safety and security is always treated as an integral part of the passenger amenities by the railway administration. Certain passenger amenities have been introduced on the railways such as facility for lodging of FIRs by passengers, introduction of Instant Action Group on important trains and provision of 'May I help You' booths manned by RPF personnel.

So far as the incidents of molestation and other harassment in passenger trains is concerned, the same are brought to the notice of State Government concerned immediately for taking corrective measures and coordination meetings are held with State Police at all levels. Saloons are meant for inspection purpose, which is an important safety equipment for running trains.

As per extant policy, railway advertisements are released to DAVP approved newspapers at DAVP rates, which are much lower than the commercial rates of the newspapers. A major portion of the expenditure on advertisements is spent on tender advertisements, which is a statutory obligation. In case of display advertisements, expenditure is restricted to dissemination of passenger's amenities information viz. introduction of new trains, new facilities, warning against hazardous materials, campaigns on safety measures etc. where due care is taken to limit the size of the advertisement as well as number of newspapers. Since these are all an integral part of railway functioning, it may not be possible to divert the funds to passenger amenities.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 9.11.99]

Recommendation [Para No. 174 (a)]

North Eastern Region of our country being strategically important and socially backward has not been given its due share in the infrastructure development to bring it into the mainstream of development even after the 50 years of independence. The Committee have been informed that the Railways have incurred Rs. 1123.1 Crores till 31.3.1999 against the total projects' cost of Rs. 5,103.4 Crores in the North Eastern Region. They also informed the Committee that the total requirement of development of Railway infrastructure in the North Eastern Region of Rs. 6,000 Crores, if all the projects are to be completed in 10 years. To do so, they informed the Committee that the Railways require Rs. 600 Crores per year with suitable provision of escalation in the cost and for this, the Planning, Commission will have to make region-specific additional allotment for which they have been suitably requested. The Committee have been informed by the Railways that during the current financial year the projects progressing in the North Eastern Region have been allocated Rs. 225 Crores which is almost 10% of the budgetary support of Rs. 2,540 Crores, the Railways are supposed to get from the Central Exchequer. "

Para No. 174 (b): The Committee, therefore recommend that a Working Group consisting of representatives of the Planning Commission, Ministry of Finance and Railways and North-Eastern Council should be formed to assess the requirement of funds for creating railway infrastructure in the North-Eastern region and in the mean time the Government should provide allocation of at least Rs. 600 Crores per year for development of railway infrastructure in the Region. They also recommend that a Special Cell be created in the Ministry to review the progress of all projects in the North Eastern Region.

Reply of the Government

All investments in the North East region are made out of budgetary support. Government has stipulated that 10% of the budgetary support is to be spent on North East region. Railways are adhering to the stipulation.

A mechanism in the form of North Eastern Council already exists to monitor, among other things, the progress of work in the North-East region.

Projects in the North East Region are also monitored by Member Engineering in the Railway Board who conducts Quarterly Review meetings to monitor the progress of projects.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 9.11.99]

Recommendations [Para No. 175 (a)]

The Committee find that the unemployed youths are facing a lot of difficulty in getting reservation in the trains at the time when they go for interviews. In spite of policy decision to provide reservation to such candidates on production of interview letter/examination letter, no concrete action has been taken by the Ministry of Railways in this regard. The Committee therefore, strongly recommend that a separate reservation quota/counters be provided to facilitate them to get timely reservation on the production of their interview/examination letters.

Reply of the Government

Railways being a public utility service are obliged to subscribe to the principle of equality in its dealings with the passengers. As such reservation quotas are allotted to stations where passengers are dealt with and no separate quota is allotted to different bodies in any train as it would effect the availability of quota for public at reservation counters. However, a few berths in various trains have been earmarked as Emergency Quota for meeting the urgent travel requirements of Ministers, Judges of the Supreme Court and High Courts, MPs, MLAs, Government Officials on duty and persons required to undertake journey in circumstances, like bereavement in the family, interviews, etc.

The persons appearing in the examination/interview can approach the Reservation Offices of the Zonal Railways for confirmation of their tickets. These requests will be considered alongwith others and due preference will be given to them.

Earmarking of separate counter, for issue of tickets to the persons appearing in the examination/interview, will not serve any purpose unless they are issued confirmed ticket. As such, it is not desirable to earmark separate counter for issue of tickets to the persons appearing in examination/interview.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 11/1/2000]

Recommendation [Para No. 175 (c)]

There have been a number of instances where patriotic persons jeopardizing their lives protect Railway property/save human lives from accidents etc. The Committee strongly recommend that a scheme for awarding 'Railway Bravery Awards' should be introduced immediately.

Reply of the Government

Railway Minister's awards are granted to the Railway employees every year during the Railway Week in recognition of their meritorious performance in various fields, one of the criteria being 'meritorious acts in disregard to personal safety leading to protection of life and property of Railways'. As regards recognition of such acts by the persons other than Railway employees, it may be mentioned that their contributions are also considered/honoured separately, on case to case basis. Institutionalising such awards through "Railway Bravery Awards" is therefore not considered necessary.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 9.11.99]

Recommendation [Para No. 175 (d)]

The Committee also note that railway traffic is not restored for days together after the derailment/accidents. They, therefore, desire that the railway lines must but be cleared and traffic restored within 24 hours.

Reply of the Government

It is not correct that Railway traffic is not restored for days together after an accident/derailment. As a matter of fact, restoration of accident affected line is monitored at various levels and the staff involved do not leave the accident site till restoration is complete. However, in case of serious accidents it is to always possible to restore traffic within 24 hours.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 9.11.99]

Recommendation [Para No. 176 (a)]

To sum up, passenger amenities including catering services, safety and security arrangements must be strengthened and regularly monitored at all levels. Sense of accountability has to be brought back.

Reply of the Government

In the recent years Railways are making all out efforts to make available amenities at stations for the convenience of the passengers from within the resources available. Railways have taken care to augment existing amenities by way of lengthening of platforms, raising of platform level, provision/extension of cover over platforms, augmentation of drinking water supply arrangements including installation of water coolers, provision/extension of waiting facilities, speedy and uninterrupted dispersal facilities by way of additional foot-over-bridges and widening/extension of existing ones. Such works are included on year to year basis in the Works Programme of the Railways subject to availability of funds. Works costing about Rs. 15 lakhs are considered and finalized at Board's level and below that are finalized at Railways level. General Managers are also given powers to sanction Passenger Amenity works on out of turn basis in an emergency costing up to Rs. 20 lakhs. With a view to remove congestion and give a better look at the platform the scheme of modular stall is proposed to be introduced shortly. In order to streamline and expedite action on the public complaint, computerisation is being done at 150 important stations of Indian Railways.

The following steps are taken for strengthening passenger amenities:

- (i) A Customer Care Institute to train the front-line staff has been set up.
- (ii) All India Train Enquiry System has been set up to improve enquiries.
- (iii) Takal scheme has been introduced to facilitate passengers to secure reservation at short notice.
- (iv) A Pilot project 'Tele-booking' is being launched at Delhi to enable passengers to secure reservation on telephone.
- (v) The load of the heavily patronised trains is being increased to 24 coaches, thereby making additional accommodation available for the passengers.
- (vi) Provision of Interactive Voice Response System at various stations.

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- (vii) Networking of Passenger Reservation System of Delhi, Mumbai, Calcutta, Chennai and Secunderabad.
 - (viii) Identification of one station on each Division as model station where higher level of passenger amenity will be provided.
 - (ix) Provision of improved facilities in 30 mail/express trains.

Recently comprehensive instruction for provision of passenger amenities at stations have been issued to zonal railways wherein amenities to be provided for the stations classified as A, B, C, D, E and F based on the annual passenger earnings have been identified and classified as 'Minimum Essential Amenities', Recommended Amenities' and 'Desirable Amenities'. The scale of facilities to be provided in these categories of amenities have also been identified.

Catering services on IR

Indian Railways provide a comprehensive catering services through refreshment rooms and stalls at stations through pantry cars in nominated long and medium distance trains. With a view to provide good quality hygienic food, a comprehensive policy direction have been issued to all the Railways. Following steps are taken for strengthening the catering services on IR:—

- (i) 170 pairs of Mail/Exp. trains are running with pantry car services. In addition, 8 more trains have been identified for provision of this facility.
 - (ii) Refreshment rooms at 60 nominated model stations are being upgraded.
 - (iii) Services in all Rajdhani/Shatabadi Express trains have been standardized and good quality food is being served in aluminum casseroles. In AC I Class on Rajdhani Express trains, a 4-course meal is being served as per the passengers' choice.
 - (iv) In all Rajdhani/Shatabadi Express trains, a bottle of mineral water and newspaper are being given on complimentary basis. For passengers traveling for more than 20 hours on Rajdhani Express trains, an additional bottle of mineral water is given to them free of charge.
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- (v) In other Mail/Exp. trains having pantry car services, food is being served in aluminum casseroles. Open 'thalis' have since been discarded, as they are not considered to be hygienic in nature. In these trains, services have been standardized including provision of menu card, service in trays with tray mats, cutlery, napkins and water pouch etc.
 - (vi) To improve services at stations, Automatic Vending Machines of hot and cold beverages have been installed which are easy to operate and provide convenient food.
 - (vii) Stalls are being modernised so as to have an uniform standard and presentation.
 - (viii) National rail policy on procurement and supply of mineral water has been issued with a view to ensure that mineral water from the genuine suppliers is made available to the passengers.

It has been decided to eliminate use of plastic in the catering services and use of eco-friendly bio-degradable material is being encouraged.

To bring in professional competency among the staff, training programmes for different level of catering personnel are being conducted with the help of ITDC.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3 dated 9.11.99]

Recommendation [Para No. 176 (b)]

The Railway Ministry must be sensitive to the Grievances of the public, must apply all corrective measures on a continuous basis. Ongoing projects are to be completed without delay. New projects are to be taken up keeping in view the socio-economic commitment of the national government to the people of the country.

Reply of the Government

The Public Grievance Redressal Machinery of the Indian Railways has been functioning since 1988 and is monitored by Secretary (C&PG), Cabinet Secretariat and Chairman, Railway Board. The P.G. mechanism

is a three tier system functioning at Divisional, Zonal and Board's level.

- (A) At the Railway Board level, Executive Director, Public Grievances is the over all in-charge of the Public Grievances Redressal machinery available on Indian Railways. He/she also co-ordinates with other Ministries/Departments of the Government of India.
- (B) At Zonal Railways level, the Additional General Managers function as Directors of Public Grievances and co-ordinate the work of public complaints take place and policy decisions are taken to revamp the machinery for ensuring expeditious disposal of complaints by removing system deficiencies.
- (C) At Divisional level, Additional Divisional Railway Managers have been nominated as Public Grievances Officers who hold periodical meetings with divisional Branch Officers and Station Superintendents/Station Masters.

The Station Superintendents/Station Managers have been made personally responsible for the public grievances With a view to coordinate activities aimed at satisfactory service to the customers. Suggestions Boxes/Public Grievances Booths/May I Help You Booth have been provided at important stations. Apart from this complaint books have been provided at stations/guards of trains/refreshment rooms and other public places where the rail users can register their complaints.

As regards ongoing and new projects, Railways are required to subserve two distinct objectives:—

- (i) to operate this vast network on the lines of a modern commercial undertaking and cope with the needs of the burgeoning national economy in the areas of both freight as well as passenger segments, and
- (ii) meet the aspirations of the people as orchestrated through the representatives of the people in the legislatures as well as through the local, State and Central Government agencies.

The policy for taking up New Line projects was enunciated by the National Transport Policy Committee in 1980. This policy which is being followed states that New Lines would be taken up on the following criteria:

- (i) Project oriented lines to serve new industries for tapping mineral and other resources.
- (ii) Missing links for completing alternative routes to relieve congestion on existing saturated routes;
- (iii) Lines required for strategic reasons; and
- (iv) Lines for establishment of new growth centres or giving access to remote areas.

The completion of ongoing projects mainly depend upon the availability of resources. Due care is taken to allot the funds so that the ongoing projects are completed within a reasonable time frame.

Minister of Railways has recently decided to accord high priority to ongoing projects which are in progress for more than 10 years. Accordingly older projects will get speeded up and completed on priority.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 11.1.2000]

Recommendation [Para No. 176 (c)]

The Committee express their serious concern over the increasing rail accidents due to negligence of Railways due to lack of proper coordination at different level. The Committee strongly recommend that all cases of accidents must be enquired into and prompt actions should be taken to build the confidence of the people in the rail system.

Reply of the Government

It is not correct that there has been increase in rail accidents. As a matter of fact, over the last 40 years train accidents have been steadily coming down from a level of 2131 in 1960-60 to a level of 397 in 1998-99. All cases of accidents are invariably inquired into and prompt action taken to avoid recurrence of the same.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.99]

Recommendation [Para No. 176 (d)]

Suitable Rail Net should be introduced in this age of advancement of science and technology. Quick dissemination of information must be worked out.

Reply of the Government

Reply has been covered in Action Taken Note of Para No. 172 (b) (ix).

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

Revised Reply of the Government

Rail-net is being introduced progressively on the railways. At present, rail-net connects Railway Board with all Zonal Rly. Headquarters, Production Units, Centralised Training Institutes and 22 Divisions. Extension of rail-net to balance divisions is in progress.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 20.12.2000]

Recommendation [Para No. 176 (f)]

The Committee are of the view that henceforth the Standing Committee on Railways should be consulted before finalisation and presentation of Railway Budget by the Ministry of Railways.

Reply of the Government

It is submitted that the Railways hold informal consultations with the Members of Parliament and other elected representatives to ascertain their views on the various projects to be included in the Railway Budget. The views of the Committee as expressed in their various reports are also taken into account while finalising the Budget. It may be appreciated that finalisation of the Railway Budget is a time-bound exercise which does not leave sufficient time for formal consultation with the Hon'ble Committee. The Revised Estimates stage, however, does offer an opportunity to review the budget proposals to take into account the recommendations made by the Committee on examination of Demands for Grants. Depending upon the nature of the recommendations, it would also be possible to act upon them earlier during the course of the fiscal year.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 9.11.1999]

any further delay under intimation to them. High cost investment funds from the market are singularly inappropriate for most of the Railway investments having a long gestation period and therefore, the Committee feel that a much higher budgetary support is essential if the Railways are to effectively meet the transport requirements of a growing economy and the developmental role that has invariably become part of the Railways' repertoire. Even in advanced capitalist nations rail investment is state financed and subsidies in freight/passenger rates, if any, are explicit and borne by the State. This is particularly significant in the Indian context where the Railways bear the twin burden of subsidised fares/freight rates and inadequate financial support on capital account.

Reply of the Government

The initiatives taken to reduce the outstanding dues of Power Houses in respect of Railways are outlined below:—

The outstanding dues recoverable from all Power Houses stood at Rs. 1140 Crores in March'99. This has shown a 27% increase in the last 6 months and stood at Rs. 1445.86 crores at the end of September'99. This rising trend is of utmost concern to the Railways and efforts are on to reduce the outstanding to a minimum.

One such decision to liquidate 'arrears outstandings' was taken by the Cabinet Committee on Economic Affairs in their meeting held on 07.02.97. The committee decided that past due from Power Houses be adjusted by effecting a cut in the Central Plan Assistance (CPA) of the concerned States, subject to the maximum of 15%. This was to be distributed among the major agencies who owed large amounts like the Railways, Coal Companies etc. The Railways have received Rs. 108.15 crores from the CPA during the year 1997-98, 1998-99 & 1999-2000 (till November'99).

Another measure taken to contain accretion of fresh outstandings was the enforcement of compulsory 'pre-payment' of freight. Two variations of the scheme are in vogue—one pre-payment at originating point and the other advance payment at destination. Though introduced since 01.01.97, the scheme has had varied success but has failed to contain Badarpur Thermal Power Station's (BTPS) outstanding position which has rise from Rs. 743.43 crores in December'96 to Rs. 1022.99 crores in September'99. A via-media has been found out and BTPS

have been asked to pay coal freight at the dispatch-end itself from 15.11.99. Progress in the implementation of this scheme is being closely watched. Adjustment of outstanding dues against traction bills has also been adopted as a method for liquidating dues of State Electricity Boards/Power Houses.

Meeting with the major defaulters like Badarpur, HSEB and Delhi Vidyut Board has resulted in evolving a time-bound action plan for reduction of outstandings. Delhi Vidyut Board has agreed to honour their commitments to BTPS with regard to raising the amount of Letter of Credit and paying a fixed amount for clearance of 'old arrears outstanding due'. In the case of HSEB, the dues have come down from Rs. 113.04 crores in August'98 to Rs. 94.93 crores in August'99.

The matter is being pursued further at the Secretary, Power's level and efforts are on the liquidate the arrears outstanding dues as also the current freight outstandings.

A continuous dialogue is being held with the Planning Commission and the Ministry of Finance for obtaining enhanced budgetary support from the general exchequer.

[M/o Rlys. OM No. 99/BC-II/SCR/XII/3, dated 11.1.1999]

Comments of the Committee

(Please see Paragraph 7 of Chapter-I of the Report)

Recommendation (Para No. 144)

The Committee also note that the excess earnings over expenditure have come down to Rs. 1535.22 crores in 1997-98 against Rs. 2870.63 crores in the year 1995-96. The Committee take a very serious view over the declining trend in Railway earnings. They cannot but conclude that the day is not far off when the Railways instead of being a profit-making organisation would become a loss-making organisation. The Committee, therefore, desire the Ministry of Railways to make concerted efforts to further bring down their expenditure and increase their earnings.

Reply of the Government

The financial results of the Railways, expressed as "excess" of receipts over expenditure, depend on a number of factors, which *inter alia*, will include growth of traffic, additional resource mobilisation through revision of fares and freights, ordinary working expenses, pensionary charges and the appropriation to the depreciation reserve fund. Payment of Dividend to General Revenues and the Subsidy towards reliefs and concessions in dividend also enter into the calculation.

In 1995-96, there was a remarkable increase of about 26 million tonnes in freight movement, the tonnage having gone up from 365 million tonnes in the previous year to 390.69 million tonnes. There was a moderate revision of freight rates also. The result was an 11.9% increase in freight earnings over the previous year. Passenger earnings also similarly registered a growth of 12.1% over the previous year. The variation in Total Working Expenses, including appropriation to the Funds, was 11.7%. With these favourable factors, Railways registered an "excess" of Rs. 2870.63 cr. which has been the highest so far.

In 1997-98, growth in freight movement was 20.36 million tonnes which, with additional resource mobilisation of Rs. 1592 cr for the full year and Rs. 240 cr from 15.10.1997, resulted in a substantial growth of 19.2% in freight earnings over the previous year. There was growth in passenger earnings to an extent of 14.2% over the preceding year. However, the total Working Expenses also registered an increase of 23.2% over the figure of 1996-97. The main increase was in Ordinary Working Expenses, to an extent of Rs. 4419 cr. arising from the implementation of the VCPC's recommendations including the payment of arrears. For the same reason, the appropriation to the Pension Fund also had to be raised. The result was that, in spite of the good performance in the receipts side, the 'excess' amounted only to Rs. 1535.22 cr.

It would be apparent from the above that while the year 1995-96 produced good results basically from a more than normal incremental loading, the year 1997-98 was considerably affected by the impact of the VCPC's recommendations despite substantial additional resource mobilisation. For the same reason position further greatly aggravated by steep fall in freight loading by 29 million tonnes below target and nine million tonnes below the level of the previous year due to recessionary trend in the economy. The 'excess' in 1998-99 plummeted to Rs. 398.46 cr. Thus, the two years following 1996-97 have accounted for an adverse swing of Rs. 7000 cr in the resource capacity of the Railways.

It may be mentioned that it is a continuous endeavour of Railways to augment earnings and control expenditure. It is due to implementation of strict economy and austerity measures adopted by the Railways that, in 1999-2000, the Railways expect to more or less contain their working expenses within the Budget grant despite post-budgetary increases of more than Rs. 900 cr due to levy of cess on HSD oil, hike in HSD oil prices and electricity tariff, increase in ration allowance to RPF personnel, increase in rates of family planning allowance, higher incentive bonus, restoration work due to Orissa cyclone etc. Some of the important steps being taken by Railways to augment earnings and control expenditure are briefly indicated as under:—

Augmentation of Earnings

1. Aggressive marketing to capture other goods as well as core sector traffic.
2. Revision in classification of certain commodities.
3. Volume Discount Scheme for certain commodities.
4. Two point rake loading at some stations.
5. Incentive to Steel Sector.
6. Guaranteed transit time service by CONCOR.
7. Delegation of powers to General Managers to quote special rates.
8. Leasing of space in front brakevans in all passenger trains.
9. Special Parcel trains between important stations and trading centres.
10. Drives against ticket-less travel.
11. Drive for realisation of outstanding dues.
12. Maximum realisation from sale of scrap.
13. Action initiated to mobilise resources through exploitation of railway land and air space, leasing of right of way for optic cable communication, leasing of advertising rights at railway stations and on the rolling stock etc.