9

STANDING COMMITTEE ON RAILWAYS
(2001)

THIRTEENTH LOK SABHA

NINTH REPORT

MINISTRY OF RAILWAYS
(RAILWAY BOARD)

DEMANDS FOR GRANTS (2001-2002)

LOK SABHA SECRETARIAT
NEW DELHI

April, 2001/Chaitra, 1922 (Saka)

CONTENTS

COMPOSITION OF THE STANDING COMMITTEE ON RAILWAY (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 Dadoba 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
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 Banarasi Das Gupta
34. Shri Bhagatram Manhar
35. Shri G.K. Moopanar
36. Shri S. Niraikulathan
37. Dr.(Smt.) Chandrakala Pandey
38. Shri Raju Parmar
39. Shri Anil Sharma

*40. Shri Shyam Lal

41. Shri Gopalsinh G. Solanki
42. Dr. D. Venkateshwar Rao
43. Shri Abani Roy
44. Shri Ramachandraiah Rumandla
45. Vacant

SECRETARIAT

1.	Shrii M. Rajagopalan Nair	-	Joint Secretary
2.	Shri R.C. Gupta	-	Deputy Secretary
3.	Shri S.N. Dargan	-	Under Secretary
2.	Shri O.P. Shokeen	-	Committee Officer
3.	Shri U.C. Bharadwaj	-	Reporting Officer

• Nominated vide RSS Bulletin Part – II dated 27 March, 2001

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 Ninth Report of the Standing Committee on Railways (2001) on 'Demands for Grants (2001-2002) of the Ministry of Railways.

2. The Committee took evidence of the representatives of the Ministry of Railways in connection with the examination of the Demands for Grants, 2001-2002 on 29^{th} and 30^{th} March, 2001.

3. The Committee considered and adopted the Report at their sitting held on 9^{th} April, 2001. Minutes of the sittings held on 29^{th} and 30^{th} March and 9^{th} April, 2001 form Part-II of the Report.

4. The Committee wish to express their thanks to the officers of the Ministry of Railways (Railway Board) for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the Demands for Grants (2001-2002) and sharing with them the issues concerning the subject which came up for discussion during evidence.

NEW DELHI;
9 April, 2001
19 Chaitra, 1922 Saka

K. YERRANNAIDU,
Chairman,
Standing Committee on Railways

PART – I

REPORT

INTRODUCTORY

The Indian Railways are the lifeline of the nation. They have been the prime movers to the economy and society of the Indian sub-continent and have the distinction of being one of the largest railway systems in the world under a single management. As the principal constituent of the nation's transport infrastructure, the Railways have served to integrate fragmented markets and thereby stimulate the emergence of a modern economy. The Railways have connected industrial production centres with sources of raw materials and facilitated industrial development, linked agricultural centres with distant markets and with sources of essential inputs and thereby promoted rapid agricultural growth. More importantly, the Railways have linked places enabling large scale rapid and low cost movement of goods and people across the length and breadth of the country. In the process, the Indian Railways have become a symbol of national integration and a strategic instrument for enhancing the defence preparedness.

2. As on 31st March, 2000, the Railways cover 62,759 route kilometers comprising broad gauge (44,383 Kms.), meter gauge (15,013 Kms) and narrow gauge (3,363 Kms) and own a fleet of 2,44,419 freight wagons (4 units), 41348 coaches and 7,517 number of locomotives. With this fleet the Railways manage to run 13,000 trains daily and carry approximately 1.25 million tonnes of freight traffic and 12.53 million passengers daily covering 6,867 number of stations. The Railway system is managed through Zones and operating Divisions. There are six Production Units engaged in manufacturing rolling stock to meet the Railway's requirements.

3. The Minister of Railways has presented the Railway Budget for the year 2001-2002 on 26th February, 2001. The Budget Statement shows the total revenue receipts, revenue and works expenditure, distribution of Railways' excess of receipts over expenditure and position of various funds which the Railways keep with the Central Government, viz., Railway Depreciation Reserve Fund, Railway Development Fund, Railway Pension Fund, Capital Fund and Railway Safety Fund.

4. The Revenue receipts of the Railways consist of earnings from passenger traffic, other coaching earnings (which include parcels and luggage), earnings from goods traffic and sundry other earnings like rent, catering receipt, interest and maintenance charges from outside bodies and other non-traditional areas such as leasing or 'right of way' for Optic Fiber Cable, commercial utilization of land and air space and commercial publicity on rolling stock and station buildings etc.

5. There are also other miscellaneous receipts like receipts of Railway Recruitment Boards from sale of application forms and examination fees, etc. and the Government's share of surplus profits which includes receipts from subsidized Railway companies in which the Government has no capital interest. The subsidy from General Revenues in respect of dividend reliefs forms part of miscellaneous receipts. Contribution from Central Road Fund for financing safety works is also accounted for in the miscellaneous receipts. The total of all these items makes up the total receipts of the Railways. The portion of the earnings which is due to the Railways during the financial year but has not actually been realized is held in a 'Suspense' account.

6. The expenditure incurred by the Railways is on Revenue account and on Works account. The Revenue account consists of Ordinary Working Expenses incurred by the various Departments of the Railways in their day to day working, other miscellaneous expenditure like the expenditure on Railway Board, Audit, Surveys and other miscellaneous establishments and payments as regulated by contracts to worked lines which are not owned by the Railways and are either worked by the Railways or companies concerned. The Revenue Account also includes appropriation to the Depreciation Reserve Fund, Pension Fund and dividend paid by the Railways to the General Revenues. Appropriation to Depreciation Reserve Fund is made annually on the basis of the recommendations of the Railway Convention Committee (R.C.C.) and is intended to finance the cost of new assets replacing old assets including the cost of any improved features that such new assets may have. Appropriation to Pension Fund is to finance Pension and Death-cum-retirement gratuity payments to the Railway staff. Dividend is payable at the rate of 7% on the dividend paying capital of the Railways. Out of the 7% dividend referred to above, 1.5% of the Capital invested up to 31st March, 1964 (less Capital entitled to 'Subsidy') is for transfer to the State Governments in lieu of passenger fare tax and to assist the States Government to finance safety works. As recommended by RCC (1999), a new Railway Safety Fund is being set up. w.e.f. 01.04.2001. The Fund will be financed through the Railway revenues, transfer of Funds by the Central Government from the Central Road Fund and the contribution being made presently to the Railway Safety Works Fund out of the dividend being paid by the Ministry of Railways to the General Revenues.

7. The excess of receipts over expenditure remaining after discharging the dividend liability is appropriated to the Development Fund, the Safety Fund and the Capital Fund, depending upon the actual needs. These Funds are meant to finance part of Plan requirements. While the Development Fund is used to finance expenditure on Passenger and Other Railway Users' Amenities Works, Staff Welfare Works, Un-remunerative operating improvements and safety works, Safety Fund is used for financing works relating to conversion of unmanned level crossings and for construction of ROB/RUBs at busy level crossings. Capital Fund is used for works chargeable to Capital. The appropriation to Capital Fund is made only after necessary appropriations to

Development Fund and Safety Fund. In case there is no 'Excess' or not enough 'Excess' to be transferred to Development Fund and Capital Fund, temporary loan is obtained from General Revenues to finance the expenditure to be met out of these Funds.

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

Demands for Grants, 2001-2002

9. There are the following 16 Demands for Grants – Demands 1 to 15 dealing with Revenue Expenses, Appropriations to the Funds and Dividend Payment and Demand 16 dealing with works Expenditure:-

No. of Demands	Name of the Demands
1.	Railway Board.
2.	Miscellaneous Expenditure (General).
3.	General Superintendence and Services on Railways.
4.	Repairs and Maintenance of Payment Way and Works.
5.	Repairs and Maintenance of Motive Power.
6.	Repairs and Maintenance of Carriages and Wagons.
7.	Repairs and Maintenance of Plant and Equipment.
8.	Operating Expenses – Rolling Stock and Equipment.
9.	Operating Expenses – Traffic.
10	Operating Expenses – Fuel.
11.	Staff Welfare and Amenities.
12.	Miscellaneous Working Expenses.
13.	Provident Fund, Pension and Other Retirement Benefits.
14.	Appropriation to Funds.
15.	Payment of Dividend to General Revenues.
16.	Assets – Acquisition, Construction and Replacement.

Demand No. 01 Railway Board.

10. **The details are as under:-**

Voted : Rupees sixty four crores twenty eight lakhs fifteen thousand

(In thousands of Rupees)

Actuals 1999-2000	Budget Estimate 2000-01	Details	Revised Estimate Estimate 2000-01	Budget 2001-02
6,00,25	13,58,41	Pay of Group 'A' & 'B' Establishment	11,03,50	11,92,85
9,74,66	13,73,00	Pay of Group 'C' & 'D' Establishment	14,82,00	15,38,50
22,37,86	33,56,59	Others Charges	34,14,50	36,96,80
		Total		
38,12,77	60,88,00	Voted	60,00,00	64,28,15

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

0	0	Credit or Recoveries	0	-1,00
38,12,77	60,88,00	Net	60,00,00	64,27,15

11. The Budget Estimates 2001-02 exceeds the Revised Estimates 2000-01 by Rs. 428 Cr. which is mainly on account of incremental effect on Salary, additional requirement under Allowances, and Other Expenses.

12. The credits under this demand represent recoveries from the Ministry of Works and Housing (C.P.W.D) for expenditure on the maintenance of 'Rail Bhawan' which is arranged by the Ministry of Railways in agreement with the Ministry of Works and Housing.

Demand No. 02 – Miscellaneous Expenditure (General)

13. The details are as under:-

Voted: **Rupees one hundred and eighty nine crores twelve lakhs eighty five thousand**

(In Thousands of rupees)

Actuals 1999-2000	Budget Estimates 2000-01	Minor Heads of Demand		Revised Estimate 2000-01	Budget Estimate 2001-02
6,60,05	7,32,38	(a) Surveys	Voted	9,74,29	10,34,86
..	..		Charged	..	..
54,41,27	56,37,00	(b) Research, Design &Standards Organisation	Voted	55,25,00	57,37,90
..	..		Charged	..	..
78,59,56	59,28,42	(c) Expenditure on Miscellaneous Establishment	Voted	55,39,30	58,29,40
..	..		Charged	..	..
40,23,55	42,46,62	(d) Reimbursement of Cost of Statutory Railway Audit	Voted	42,46,62	42,65,00
..	..		Charged	..	..
26,89	25,94	(e) Payments to Worked Lines, Subsidised Companies	Voted	28,11	29,15
..	..		Charged	..	..
17,37,74	16,61,64	(f) Miscellaneous Charges	Voted	15,08,35	20,16,54
..	..		Charged	..	..
197,49,06	182,32,00	Total	Voted	178,21,67	189,12,85
..	..		Charged	..	..

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

-1,47,57	-1,20,00	Credit or Recoveries	-3,48,46	-1,40,00
196,01,49	181,12,00	Net	174,73,21	187,72,85

14. The Budget Estimate (Gross) for 2001-02 under this Demand exceeds the Revised Estimates 2000-01 by Rs. 10.91 Crores. The increase is mainly due to incremental effect on Salaries, additional requirement under Allowances, Contractual Payment and Other Expenses.

Demand No. 03 – General Superintendence and Service on Railways.

15. The details are as under:-

Voted: Rupees one thousand five hundred and eighteen crores seventy nine lakhs fifty thousand
Charged : **Rupees fifty thousand**

(Figures in thousands of Rupees)

Actuals 1999-00	**Budget Estimates 2000-01**	**Minor Heads of Demand**		**Revised Estimate 2000-01**	**Budget Estimate 2001-02**
91,25,34	97,17,82	100 - Gen. Management including General Management Services	Voted	94,00,78	100,28,94
40	..		Charged	50	..
372,82,53	391,87,58	200 - Financial Management	Voted	385,42,12	409,98,75
2,24	1,06		Charged	4	
228,07,89	243,81,29	300 - Personnel Management	Voted	235,11,95	247,25,57
..	50		Charged	50	50
246,78,93	248,35,21	400 - Materials Management	Voted	251,98,05	268,16,78
..	..		Charged	..	..
124,63,75	127,00,45	500 - Way and Works Management	Voted	125,70,13	130,42,80
30	..		Charged	..	..
78,64,85	83,10,11	600 - Rolling Stock Management	Voted	82,84,46	86,80,78
11	..		Charged	..	..
54,19,42	58,37,39	700 - Electrical Management	Voted	56,65,68	61,08,51
..	..		Charged	..	..
40,57,17	42,61,59	800 - Signal and Telecommunication Management	Voted	42,34,78	44,17,08
1	..		Charged	..	..
157,53,22	160,97,50	900 - Traffic Management	Voted	162,04,49	170,60,29
1,50	50		Charged	29	..
1394,53,10	1453,28,94	Total (100 to 900)	Voted	1436,12,44	1518,79,50
4,56	2,06		Charged	1,33	50

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

-9,64,63	-7,45,00	Credits or Recoveries	-7,11,77	-7,12,00
1384,93,03	1445,86,00	Net	1429,02,00	1511,68,00

16. The Budget Estimates of Rs. 1518.80 crore under this Demand reflects an increase of Rs. 82.66 crore over the Revised Estimates, 2000-01. This comprises an increase of Rs. 82.67 crore under 'Voted' portion to provide for payment of Salaries (Rs. 1168.99 lakh), Dearness Allowance (Rs. 6346.04 lakh), and Other Miscellaneous Factors (Rs. 752.03 lakh); and a decrease of Rs. 0.83 lakh under 'Charged' appropriation due to less payments anticipated in satisfaction of court decrees.

Demand No. 04 – Repairs and Maintenance of Permanent Way and Works

17. The details are as under:-

Voted: Rupees two thousand nine hundred and eighty three crores twenty five lakhs thirty two thousand
Charged : **Rupees three lakhs**

(Figures in thousands of Rupees)

Actuals 1999-00	Budget Estimates 2000-01		Minor Heads of Demand		Revised Estimate 2000-01	Budget Estimate 2001-02
232,80,40	244,46,62	100 -	Establishment in Offices	Voted	235,30,22	247,18,10
12	30			Charged	21	..
1839,77,26	1928,39,76	200 -	Maintenance of Permanent Way	Voted	1885,82,94	1991,53,66
17,20	60			Charged	2,75	2,60
88,96,84	95,52,79	300 -	Maintenance of Bridge work and Tunnels including Road over/under bridges	Voted	88,21,84	100,09,86
..	..			Charged	..	..
295,07,66	305,50,51	400 -	Maintenance of service buildings (other than Staff Quarters and Welfare buildings)	Voted	305,53,99	324,23,96
5,69	4,90			Charged	40	40
160,00,46	166,77,36	500 –	Water supply, Sanitation and Roads (other than Colonies, Staff Quarters and Welfare Buildings)	Voted	164,67,30	181,07,84
..	..			Charged	..	..
35,03,38	39,15,36	600 -	Other Repairs and Maintenance	Voted	37,08,90	38,74,72
..	..			Charged	..	..
105,91,47	123,67,45	700 -	Special repairs pertaining to Breaches, Accidents etc. including special Revenue Works	Voted	151,06,02	100,37,18
4,39	..			Charged	..	..
2757,57,47	2903,49,85	TOTAL (100 – 700)		Voted	2867,71,21	2983,25,32
27,40	5,80			Charged	3,36	3,00

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

-16,40,73	-19,50,65	Credits or Recoveries	-19,82,57	-19,89,32
2741,44,14	2884,05,00	Net	2847,92,00	2963,39,00

18. The Budget Estimates of Rs. 2983.28 crore under this Demand reflects an increase of Rs. 115.54 crore over the Revised Estimates (2000-01) comprising an increase of Rs. 115.54 crore under 'Voted' portion to provide for payment of Salaries (Rs. 1797.72 lakh), Dearness Allowance (Rs. 10346.56 lakh), Contractual Payments (Rs. 1052.31 lakh) partly offset by a decrease of Rs. 1642.48 lakh under Other Miscellaneous Factors; and of Rs. 0.36 lakh under 'Charged' appropriation due to less payments anticipated in satisfaction of court decrees.

Demand No. 05 Repairs and Maintenance of Motive Power

19. The details are as under:

Voted: Rupees one thousand seven hundred and sixteen crores seventeen lakhs ninety one thousand
Charged : Rupees sixty five thousand

(Figures in thousands of Rupees)

Actuals 1999-00	Budget Estimates 2000-01		Minor Heads of Demand		Revised Estimate 2000-01	Budget Estimate 2001-02
143,89,29	157,57,42	100 -	Establishment in offices	Voted	150,99,07	179,28,56
..	..			Charged	..	..
3,56,22	..	200 -	Steam Locomotives	Voted	2,94,35	3,19,48
..	..			Charged	..	..
914,79,25	951,79,44	300 -	Diesel Locomotives	Voted	928,65,87	1033,69,57
..	75			Charged	65	65
504,42,29	545,18,46	500 -	Electric Locomotives	Voted	491,42,68	558,82,87
..	..			Charged	..	..
-8,04,98	-8,41,67	600 -	Rail cars, Ferry steamers and other maintenance expenses	Voted	-6,82,94	-58,82,57
..	..			Charged	..	..
1558,62,07	1646,13,65	TOTAL (100 to 600)		Voted	1567,19,03	1716,17,91
..	75			Charged	65	65

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

-34,52,29	-34,04,40	Credits or Recoveries	-34,92,68	-34,99,56
1524,09,78	1612,10,00	NET	1532,27,00	1681,19,00

20. The Budget Estimates of Rs. 1716.19 crore under this Demand reflects an increase of Rs. 148.99 crore over the Revised Estimates (2000-01) entirely under 'Voted' portion to provide for payment of Salaries (Rs. 494.34 lakh), Dearness Allowance (Rs. 3008.91 lakh), Wages on POH (Rs. 335.93 lakh), Contractual Payments (Rs. 171.28 lakh), Increased Maintenance Activities (Rs. 7087.35 lakh) , Transfer of Debits/Credits etc. (Rs. 3926.36 lakh) , Partly offset by a decrease under Miscellaneous factors (Rs. 125.29 lakh).

Demand No. 6 – Repairs and Maintenance of Carriages and Wagons

21. The details are as under:-

Voted: Rupees three thousand three hundred and ten crores ninety seven lakhs fifty four thousand
Charged : Zero

(Figures in thousands of Rupees)

Actuals 1999-00	**Budget Estimates 2000-01**		**Minor Heads of Demand**		**Revised Estimate 2000-01**	**Budget Estimate 2001-02**
194,44,07	211,73,65	100 -	Establishment in offices	Voted	213,40,49	225,56,48
..	..			Charged	..	..
1098,49,26	1189,27,07	200 -	Carriages	Voted	1143,44,67	1251,55,99
..	..			Charged	..	..
910,74,40	1002,99,31	300 -	Wagons	Voted	920,19,39	1020,15,28
13	..			Charged	..	..
276,28,56	295,64,86	400 -	Electrical Multiple Unit Coaches	Voted	300,06,52	315,90,48
2,26	..			Charged	..	..
446,74,83	461,05,44	500 -	Electrical General Services –Train lighting, fans and Air-conditioning	Voted	473,63,73	510,78,85
..	1,00			Charged	..	..
-19,40,03	-25,07,08	600 -	Miscellaneous Repairs and Maintenance expenses	Voted	-24,51,27	-27,06,01
..	..			Charged	..	..
5,72,97	7,88,88	700 -	Diesel Multiple Units (DMUs)	Voted	12,30,46	14,06,47
..	..			Charged	..	..
2913,04,06	3143,52,13	TOTAL (100 TO 700)		Voted	3038,53,99	3310,97,54
2,39	1,00			Charged	..	..

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

-79,96,51	-80,00,13	Credits or Recoveries	-84,51,99	-84,99,54
2833,09,94	3063,53,00	NET	2954,02,00	3225,98,00

22. The Budget Estimates of Rs. 3310.98 crore under this Demand reflects an increase of Rs. 272.44 crore over the Revised Estimates (2000-01) entirely under 'Voted' portion to provide for payment of Salaries (Rs. 919.72 lakh), Dearness Allowance (Rs. 5233.76 lakh), Wages on POH (Rs. 2898.11 lakh), increased Maintenance Activity (Rs. 13971.46 lakh), Transfer of Debit/Credit etc. (Rs. 5139.59 lakh); partly offset by less payments under Other Miscellaneous Factors (Rs. 919.09 lakh)

Demand No. 07 Repairs and Maintenance of Plant and Equipment

23. The details are as under:-

Voted: Rupees one thousand six hundred and sixty crores fifty eight lakhs thirty four thousand
Charged : Zero

(Figures in thousands of Rupees)

Actuals 1999-00	Budget Estimates 2000-01	Minor Heads of Demand			Revised Estimate 2000-01	Budget Estimate 2001-02
176,53,19	182,67,42	100 -	Establishment of offices	Voted	182,90,72	193,21,53
18	..			Charged	..	..
83,97,93	92,10,37	200 -	Plant and Equipment	Voted	93,18,53	102,66,54
..	..		– Way and Works	Charged	..	..
151,76,35	182,08,53	300 -	Plant and Equipment – Mechanical	Voted	167,45,92	176,07,50
..	..			Charged	..	..
463,19,99	486,37,91	400 -	Plant and Equipment – Electrical	Voted	481,73,26	516,01,61
..	..			Charged	..	..
374,11,78	370,85,08	500 -	Plant and Equipment – Signalling	Voted	371,75,40	400,97,06
54	..			Charged	..	..
192,14,35	197,17,87	600 -	Plant and Equipment	Voted	193,14,66	207,33,55
..	..		– Telecommunication	Charged	..	..
20,58,53	21,55,43	700 -	Rental to P&T for Signalling	Voted	22,58,33	19,59,53
..	..		and Telecommunication Circuits	Charged	..	..
35,48,44	40,24,22	800 -	Other Plant and Equipment	Voted	41,56,70	44,71,02
..	..		– General and Traffic Departments	Charged	..	..
1497,80,56	1573,06,83	TOTAL (100 TO 800)		Voted	1554,33,52	1660,58,34
72	..			Charged	..	..

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

-10,72,92	-10,35,83	Credits or Recoveries	-11,99,52	-11,82,34
1487,08,36	1562,71,00	NET	1542,34,00	1648,76,00

24. The Budget Estimates of Rs. 1660.58 crore under this Demand reflects an increase of Rs. 106.25 crore over the Revised Estimates (2000-01) entirely under 'Voted' portion to provide for payment of Salaries (Rs 915.88 lakh), Dearness Allowance (Rs. 5333.02 lakh), Wages on POH (Rs. 390.49 lakh), Increased Maintenance Activity (Rs. 3188.97 lakh), Transfer of Debit/Credit (Rs. 1597.56 lakh); partly offset by decrease under Other Miscellaneous Factors (Rs. 801.10 lakh)

Demand No. 08 Operating Expenses – Rolling Stock and Equipment

25. The details are as under:-

Voted: **Rupees two thousand seven hundred and fifty eight crores fifty six lakhs thirty seven thousand**
Charged : Rupees one lakhs

(Figures in thousands of Rupees)

Actuals 1999-00	Budget Estimates 2000-01		Minor Heads of Demand		Revised Estimate 2000-01	Budget Estimate 2001-02
2,82,10	..	100 -	Steam Locomotives	Voted	3,21,65	3,39,97
..	..			Charged	..	..
866,17,93	941,17,67	200 -	Diesel Locomotives	Voted	884,28,76	931,32,26
1,72	7,00			Charged	2,00	1,00
428,99,68	428,10,95	300 -	Electric Locomotives	Voted	437,88,83	459,15,73
..	..			Charged	1,00	..
57,91,71	57,96,17	400 -	Electric Multiple Unit Coaches	Voted	60,58,01	63,57,79
..	..			Charged	..	..
421,27,83	458,61,15	500 -	Carriage and Wagons	Voted	438,42,53	464,21,66
11	..			Charged	1,00	..
717,78,25	757,15,16	600 -	Traction (other than Rolling Stock)	Voted	768,43,02	809,93,46
..	..		and General Electrical Services	Charged	..	..
23,32,98	26,43,98	700 -	Signalling and Telecommunication	Voted	25,69,59	26,57,78
..	..			Charged	..	..
30,02	34,39	800 -	Ferry services and Rail Cars	Voted	35,19	37,72
..	..			Charged	..	..
2518,60,50	2669,79,47	TOTAL (100-800)		Voted	2618,87,58	2758,56,37
1,83	7,00			Charged	4,00	1,00

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

-65,55,22	-55,08,47	Credits or Recoveries	-59,96,58	-58,37,37
2453,07,11	2614,78,00	NET	2558,95,00	2700,20,00

26. The Budget Estimates of Rs. 2758.57 crore under this Demand reflects an increase of Rs. 139.66 crore over the Revised Estimates (2000-01). This comprises an increase of Rs. 139.67 crore under 'Voted' portion to provide for payment of Salaries (Rs. 1128.59 lakh), Dearness Allowance (Rs. 4598.88 lakh), Kilometerage Allowance (Rs. 1299.34 lakh), Cost of Materials (Rs. 3255.38 lakh), Contractual Payment (Rs. 4182.31 lakh) partly offset by a decrease of Rs. 497.71 lakh under Miscellaneous Factors and of Rs. 1.00 lakh under 'Charged' appropriation due to less payments anticipated in satisfaction of court decrees.

Demand No. 09 – Operating Expenses-Traffic

27. The details are as under:-

Voted: Rupees six thousand five hundred and twenty seven crores forty three lakhs eighty two thousand
Charged : Rupees two lakhs

(Figures in thousands of Rupees)

Actuals 1999-00	Budget Estimates 2000-01		Minor Heads of Demand		Revised Estimate 2000-01	Budget Estimate 2001-02
18,74,56	20,95,32	100 -	Establishment in Offices	Voted	19,72,14	21,35,11
..	..			Charged	..	..
1985,37,89	2039,73,90	200 -	Station operations	Voted	2043,34,57	2142,71,32
48,03	3,00			Charged	5,00	2,00
148,15,88	165,96,99	300 -	Yard operations	Voted	161,40,37	165,35,69
..	..			Charged	..	..
4,85,87	6,19,30	400 -	Transhipment and Repacking operations	Voted	5,50,88	5,74,70
..	..			Charged	..	..
681,22,14	696,46,24	500 -	Trains operations	Voted	700,08,00	731,16,50
4	..			Charged	..	..
4,10,83	6,48,60	600 -	Safety	Voted	8,89,07	11,16,03
..	..			Charged	..	..
2548,95,11	3144,33,10	700 -	Other miscellaneous expenses	Voted	3118,33,43	3449,94,47
..	..			Charged	..	..
5391,42,28	6080,13,45	TOTAL (100 TO 700)		Voted	6057,28,46	6527,43,82
48,07	3,00			Charged	5,00	2,00

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

-14,87,50	-17,57,45	Credits or Recoveries			-17,28,46	-17,35,82
5377,02,85	6062,59,00	NET			6040,05,00	6510,10,00

28. The Budget Estimates of Rs. 6527.46 crore under this Demand reflects an increase of Rs. 470.12 crore over the Revised Estimates (2000-01). This comprises an increase of Rs. 470.15 crore uncer 'Voted' portion to provide for Salaries (Rs. 2220.30 lakh), Dearness Allowance (Rs. 11981.54 lakh), Kilometerage Allowance (Rs. 400.03 lakh), Cost of Materials (Rs. 111.77 lakh), Lease/Hire changes to Indian Railway Finance Corporation (Rs. 24800.00 lakh), Miscellanous Factors (Rs. 9569.38 lakh) partly offset by a reduction of Rs. 2067.66 lakh under Lease charges for OYW and BOLT schemes; and Rs. 3.00 lakh under 'Charged' appropriation due to less payments anticipated in satisfaction of court decrees.

Demand No. 10 – Operating Expenses-Fuel

29. The details are as under:-

Voted: **Rupees seven thousand four hundred and fifteen crores eight lakhs five thousand**

Charged : Rupees two lakhs

(Figures in thousands of Rupees)

Actuals 1999-00	Budget Estimates 2000-01		Minor Heads of Demand		Revised Estimate 2000-01	Budget Estimate 2001-02
3,11,98	..	100 -	Steam Traction	Voted	1,42,94	1,35,30
83	..			Charged	2,77	..
2414,82,40	2879,48,19	200 -	Diesel Traction	Voted	3109,86,51	3590,71,18
..	2,00			Charged	2,00	2,00
3236,71,18	3550,52,04	300 -	Electric Traction	Voted	3468,76,83	3823,01,57
..	..			Charged	..	..
5654,65,56	6430,00,23	TOTAL	(100 To 300)	Voted	6580,06,28	7415,08,05
83	2,00			Charged	4,77	2,00

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

-24,99,66	-32,16,23	Credits or Recoveries	-31,14,05	-29,36,05
5629,66,73	6397,86,00	NET	6548,97,00	7385,74,00

30. The Budget Estimates of Rs. 7415.10 crore under this Demand reflects an increase of Rs. 834.99 crore over the Revised Estimates (2000-01) comprising an increase of Rs. 837.76 crore under 'Voted' portion to provide for higher Staff Costs (Rs. 116.51 lakh) and more expenditure on fuel due to increase in traffic/prices of fuel under Diesel Traction (Rs. 47960.52 lakh) and Electric Traction (Rs. 35424.74 lakh); partly offset by a reduction of Rs. 2.77 lakh under 'Charged' appropriation due to less payments anticipated in satisfaction of court decrees.

Demand No. 11 - Staff Welfare and Amenities

31. **The details are as under:-**

Voted: Rupees one thousand two hundred and thirty eight crores fifty seven lakhs seventeen thousand
Charged : Rupees eighty thousand

(Figures in thousands of Rupees)

Actuals 1999-00	Budget Estimates 2000-01		Minor Heads of Demand		Revised Estimate 2000-01	Budget Estimate 2001-02
76,78,72	84,03,32	100 -	Educational facilities	Voted	81,24,36	86,09,29
17,44	..			Charged	..	..
398,23,83	416,09,21	200 -	Medical services	Voted	410,64,82	441,13,11
3,71	2,65			Charged	2,54	40
160,11,49	170,31,43	300 -	Health and Welfare services	Voted	169,24,29	181,18,89
..	20			Charged	20	20
16,56,04	17,73,04	400 -	Canteen and other staff amenities	Voted	17,14,55	18,43,15
6,31	..			Charged	..	20
452,24,38	482,78,44	500 -	Residential and Welfare Buildings	Voted	457,82,20	511,42,44
17,64	..		– Repairs and Maintenance	Charged	11	..
10,23	27,55		600 - Miscellaneous expenses	Voted	32,90	30,29
..	..			Charged	..	..
1104,04,69	1171,22,99	TOTAL (100 to 600)		Voted	1136,43,12	1238,57,17
45,10	2,85			Charged	2,85	80

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

-1,99,96	-1,42,84	Credits or Recoveries	-2,55,97	-2,65,97
1102,49,83	1169,83,00	NET	1133,90,00	1235,92,00

32. The Budget Estimates of Rs. 1238.58 crore under this Demand reflects an increase of Rs. 102.12 crore over the Revised Estimates (2000-01) comprising an increase of Rs.102.14 crore under 'Voted' portion to provide for payment of salaries (Rs. 625.02 lakh), Dearness Allowance (Rs. 3569.28 lakh), Cost of Materials (Rs. 2982.67 lakh), Contractual payments (Rs. 2439.45 lakh) and Miscellaneous Factors (Rs. 597.63 lakh); partly offset by a decrease of Rs 2.05 lakh under 'Charged' appropriation due to more payments anticipated in satisfaction of court decrees.

Demand No. 12 – Miscellaneous Working Expenses

33. The details are as under:-

Voted: Rupees one thousand four hundred and fifty eight crores twenty two lakhs thirty four thousand
Charged : Rupees nineteen crores eighty six lakhs thirty five thousand

(Figures in thousands of Rupees)

Actuals 1999-00	Budget Estimates 2000-01	Minor Heads of Demand			Revised Estimate 2000-01	Budget Estimate 2001-02
685,77,02	777,65,13	100 -	Security	Voted	734,47,70	805,47,89
8,12	8,60			Charged	22,27	13,02
170,13,38	213,90,50	200 -	Compensation Claims	Voted	196,29,99	184,58,24
7,41,12	9,89,83			Charged	8,95,28	10,17,88
9,14,56	10,19,60	300 -	Workmens' and other	Voted	10,04,60	10,16,69
22,56	50,00		compensation claims	Charged	54,23	50,00
208,01,21	221,55,29	400 -	Catering	Voted	209,08,58	226,29,79
7,96	..			Charged	..	..
77,39,94	82,06,42	500 -	Cost of training of Staff	Voted	88,00,40	94,93,74
1,84	..			Charged	..	..
111,06,99	103,71,14	600 -	Other expenses	Voted	105,08,40	106,70,82
2,49	..			Charged	..	..
15,22	48,06	700 -	Hospitality and Entertainment	Voted	38,18	41,18
..	..		Expenses	Charged	..	..
1261,68,32	1409,56,14	TOTAL (100 to 700)		Voted	1343,37,85	1428,58,35
7,84,09	10,48,43			Charged	9,71,78	10,80,90
20,34,96	27,92,38	800 -	Suspense	Voted	29,02,01	29,63,99
6,44,78	8,51,40			Charged	11,05,45	9,05,45
1282,03,28	1437,48,52	(TOTAL 100 To 800)		Voted	1372,39,86	1458,22,34
14,28,87	18,99,83			Charged	20,77,23	19,86,35

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

-198,61,55	-170,95,35	Credits or Recoveries	-182,74,09	-169,48,69
1097,70,60	-1285,53,00	NET	1210,43,00	1308,60,00

34. The Budget Estimates of Rs. 1478.09 crore under this Demand reflects an increase of Rs. 84.92 crore over the Revised Estimates (2000-01) comprising an increase of Rs. 85.82 crore under 'Voted' portion to provide for payment of salaries (Rs. 539.77 lakh), Dearness Allowance (Rs. 3091.19 lakh), Cost of Materials (Rs. 962.00 lakh), Contractual payments (Rs. 166.08 lakh), transfer of Debit/Credit etc. (Rs. 3046.45 lakh), Miscellaneous Factors (Rs. 776.99 lakh); Partly offset by a reduction of Rs. 90.88 lakh under 'Charged' appropriation due to less payment anticipated in satisfaction of court decrees.

Demand No. 13 – Provident Fund, Pension & Other Retirement Benefits

35. The details are as under:-

Voted: Rupees five thousand eight hundred and twenty one crores sixty two lakhs twenty five thousand
Charged : Rupees ninety lakhs ninety two thousand

(Figures in thousands of Rupees)

Actuals 1999-00	Budget Estimates 2000-01	Minor Heads of Demand			Revised Estimate 2000-01	Budget Estimate 2001-02
2534,20,90	2899,35,52	100 -	Superannuation and Retiring Pension	Voted	2846,57,36	3364,45,45
5	4			Charged	4	4
219,06,96	791,00,91	200 -	Commuted Pension	Voted	727,08,43	752,24,92
8	..			Charged	..	..
47,22	67,33	300 -	Ex-gratia Pension	Voted	88,44	1,23,82
..	..			Charged	..	..
808,74,20	814,77,60	400 -	Family Pension	Voted	804,16,01	874,14,94
37,37	41,80			Charged	43,55	47,80
319,48,31	674,36,39	500 -	Death-cum-retirement gratuity	Voted	650,28,66	729,73,96
11	..			Charged	71	50
143,28,60	135,93,86	600 -	Other allowances, other Pension and other expenses	Voted	140,63,25	81,24,36
64,14	41,58			Charged	66,46	42,58
4025,26,19	5316,11,61	TOTAL (100 To 600)		Voted	5169,62,15	5803,07,45
1,01,75	83,42			Charged	1,10,76	90,92
14,35,78	16,17,55	700 -	Gratuities and Special Contribution to Provident Fund	Voted	17,25,63	18,50,75
..	..			Charged	..	..
2,68	4,25	800 -	Contributions to Provident Fund	Voted	3,17	4,05
..	..			Charged	..	..
14,38,46	16,21,80	TOTAL (700 & 800)		Voted	17,28,80	18,54,80
..	..			Charged	..	..
4039,64,65	5332,33,41	TOTAL (100 To 800)		Voted	5186,90,95	5821,62,25
1,01,75	83,42			Charged	1,10,76	90,92

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

-5,22,39	-2,99,03	Credits or Recoveries – Pension	-3,72,91	-3,98,37
-7,67	-5,80	TOTAL CREDITS – PROVIDENT FUND AND OTHERS	-15,80	-10,80
-5,30,06	-3,04,83	TOTAL – CREDITS OR RECOVERIES	-3,88,71	-4,09,17
-4021,05,55	-5313,96,00	Deduct Amount met from Pension Fund	-5167,00,00	-5800,00,00
14,30,79	16,16,00	NET	17,13,00	18,44,00

36. The Budget Estimates of Rs. 5822.53 crore is higher than the Revised Estimates (2000-01) by Rs. 634.51 crore comprising of an increase of Rs. 634.71 crore under 'Voted' portion and a reduction of Rs. 19.84 lakh under 'Charged' appropriation. The increase under 'Voted' portion is anticipated due to increase in the number of pensioners as also higher Dearness relief on pension. The reduction under 'Charged' appropriation is due to less payments arising out of court decrees.

Demand No. 14 – Appropriation to Funds

37. The details are as under:-

Voted: Rupees nine thousand three hundred thirty five crore, nineteen lakh sixty seven thousand

(Figures in thousands of Rupees)

Actuals 1999-00	Budget Estimates 2000-01	Minor Heads of Demand	Revised Estimate 2000-01	Budget Estimate 2001-02
1670,00,00	2441,00,00	Appropriation to Railway Depreciation Reserve Fund	2170,75,00	2704,00,00
3539,06,00	5005,96,00	Appropriation to Railway Pension Fund	4961,85,00	5800,00,00
496,98,81	831,00,00	Appropriation to Railway Development Fund	717,99,00	511,00,00
..	..	Appropriation to Railway Safety Fund	..	302,76,67
348,90,00	345,31,22	Appropriation to Capital Fund – Railways	49,99,00	17,43,00
6054,94,81	8623,27,22	TOTAL	7900,58,00	9335,19,67

38. This Demand is for appropriation from Revenue to the various Railway Funds as under:-

(a) Appropriation to Depreciation Reserve Fund is being made in accordance with the recommendations of the Railway Convention Committee (R.C.C.)

(b) Appropriation to Pension Fund is being made having regard to the recommendation of the RCC. In assessment of this amount, due consideration is given to such factors as the estimated higher withdrawals from the Fund, liberalisation of Pension benefits, etc.

(c) Development Fund is credited with such appropriations out of the Revenue excess after payment of dividend as may be voted by Parliament.

(d) As recommended by Railway Convention Committee (1999), a new 'Railway Safety Fund' is being created w.e.f. 1.4.2001 for financing works relating to conversion of unmanned level crossings and for construction of Railway over/under bridges at busy level crossings.

(e) Appropriation to the Capital Fund is being made keeping in view the Plan requirement for building up the Railway infrastructure out of the internal resources.

DEMAND NO. 15 – RAILWAYS -DIVIDEND TO GENERAL REVENUES, REPAYMENT OF LOANS TAKEN FROM GENERAL REVENUES AND AMORTIZATION OF OVER CAPITALISATION

39. The details are as under:-

Voted: Rupees one thousand three hundred fifty two crore

(Figures in thousands of Rupees)

Actuals 1999-00	Budget Estimates 2000-01	Minor Heads & Sub Heads of Demand	Revised Estimate 2000-01	Budget Estimate 2001-02
1889,77,89	615,38,00	Dividend to General Revenues	583,57,00	1352,00,00
..	..	Repayment of Deferred Dividend liability in respect of the period 1978-79 onwards		
..	..	Repayment of loans for Development Fund taken from General Revenues and interest thereon		
..	..	Repayment of loan for Revenue Reserve Fund taken from General Revenues and interest thereon		
..	..	Repayment of Deferred Dividend liability in respect Of the period prior to 1978-79		
..	..	Payment towards Amortization of Over-Capitalisation		
1889,77,89	615,38,00	TOTAL	583,57,00	1352,00,00
		Credits or Recoveries		
1889,77,89	615,38,00	NET	583,57,00	1352,00,00

40. The total amount of dividend payable to General Revenues for the year 2001-02 works out to Rs. 2352.00 crore involving in increase of Rs. 268.43 crores over the Revised Estimate for the current year. This is mainly due to increase in the Capital-at-charge. However, due to shortfall expected in 'Excess' during 2001-02, the dividend to be paid to the General Revenues will be restricted to Rs. 1352.00 crore, the shortfall being transferred to Deferred Dividend Liability Account.

41. In the Budget Estimates for 2001-02 the Development Fund will open with a balance of Rs. 0.47 crores. Withdrawal from this fund is estimated at Rs. 511.00 crore which is for financing works chargeable to this fund. Accordingly, an equal amount has been appropriated to this fund.

42. **In brief the Railway Budget for the year 2001-02 is as under:-**

(Rupees in Crore)

Actuals 1999-00	**Budget 2000-01**	**Description**	**Revised 2000-01**	**Budget 2001-02**
32938.81	36529.00	(a)Gross Traffic Receipts	35467.00	39939.00
25644.93	28115.00	(b)Ordinary Working Expenses	27815.00	30190.00
1670.00	2441.00	© Depreciation Reserve Fund	2170.75	2704.00
3529.06	4995.96	(d) Pension Fund	4951.85	5790.00
30843.99	35551.96	(e)Total Working expenses (b+c+d)	34937.60	38684.00
2094.82	977.04	(f)Net Traffic Receipts (a-e)	529.40	1255.00
640.85	814.65	(g) Net Miscellaneous Receipts	822.15	928.20
2735.67	1791.69	(h)Net Revenue (f) + (g)	1351.55	2183.20
1889.78	2115.38	(i)Dividend payment due to General Revenues	2083.57	2352.00
..	1500.00	(j) Less Dividend deferred $	1500.00	1000.00
1889.78	615.38	(k) Total Dividend	583.57	1352.00
845.89	1176.31	(l)Excess/Shortfall (h)-(k)	767.98	831.20
496.99	831.00	(m)Appropriation to Railway Development Fund	717.99	511.00
..	…	(n) Appropriation to Railway Safety Fund	..	302.77
348.90	345.31	(o) Appropriation to Capital Fund-Railways	49.99	17.43
93.3%	98.8%	(p)Operating Ratio	98.5%	98.8%
6.9%	4.2%	(q) Ratio of Net Revenue to to Capital-at-Charge and investment from Capital Fund	3.1%	4.7%

$ Transfer to Deferred Dividend Liability Account

Gross Traffic Receipts

43. The details of Gross Traffic Receipts for the years 1998-99 (Actuals) ; 1999-2000 (Revised &Actuals); 2000-01 (Budget & Revised) and 2001-02 (Budget) are as under:-

(Rupees in Crore)

Details	Actuals 1998-99	Revised 1999-2000	Actuals 1999-2000	Budget 2000-01	Revised 2000-01	Budget 2001-02
Passenger-Upper Classes	1456.69	1676.69	1887.00	1797.32	2062.26	2371.76
Passenger-Second Class	7093.27	7807.31	7694.07	8350.68	8387.74	9015.24
Total Passenger Earnings	8549.96	9484.00	9581.07	10148.00	10450.00	11387.00
Other Coaching Earnings	649.00	811.00	825.31	856.00	781.00	850.00
Goods Earnings	19960.39	22091.00	22060.99	23608.00	23486.00	25235.00
Sundry Other Earnings	665.51	635.00	657.34	1417.00	800.00	1717.00
Total Earnings	29824.86	33021.00	33124.71	36029.00	35517.00	39189.00
Suspense -	205.40	75.00	-185.90	500.00	-50.00	750.00
Gross Traffic Receipts	29619.46	33096.00	32938.81	36529.00	35467.00	39939.00

44. The Railways ended the year 1999-2000 with a total earnings of Rs. 33124.71 crore which are higher than the Revised Estimates by Rs. 103.71 crore. This was due to increase in Passenger Earnings (Rs. 97.07 crore), Other Coaching Earnings (Rs. 14.31 crore) and Sundry Other Earnings (Rs. 22.34 crore) partly offset by short fall in Goods Earnings (Rs. 30.01 crore) . However, due to an accretion to the Suspense representing unrealized earnings, the Gross Traffic Receipts came to Rs. 32938.81 crore, that is, less than the Revised Estimates by Rs. 157.19 crore.

Passenger Earnings

45. The Budget Estimates of Passenger Earnings for 2000-01 of Rs. 10148.00 crore is increased by Rs. 302.00 crore and the Revised Estimates placed at Rs. 10450.00 crore. Passenger Earnings for 2001-02 have been estimated at Rs. 11387.00 crore based upon an anticipated growth of suburban and non suburban passenger traffic.

.

Other Coaching Earnings

46. Taking into account the trend of actual earnings during the course of the year 2000-01, the Revised Estimates of earnings from Other Coaching Traffic is fixed at Rs. 781.00 crore i.e. , 75.00 crore less than the Budget Estimates for the year. Other Coaching Earnings for 2001-02 are estimated at Rs. 850 crore i.e. 69.00 crore above the Revised Estimates of 2000-01 based upon anticipated growth in Parcel Traffic.

Goods Earnings

47. As envisaged in the Budget Estimates, 2000-01, the target of loading has been retained at 475 million tonnes in the Revises Estimates. But due to change in commodity mix and drop in average lead, goods earnings are fixed at Rs. 23486.00 crore which is Rs. 122.00 crore less than the Budget Estimates of Rs. 23603.00 crore. The goods earnings for 2001-02 have been placed at Rs. 25235.00 crore, an increase of Rs. 1749.00 crore assuming an increase of 25 million tonnes originating revenue earnings freight traffic over the anticipated level of 475 million tones adopted for the Revised Estimates for 2000-01 and proposed increase in freight rates.

Sundry Other Earnings

48. Earnings from non-traditional sources budgeted for the first time have not materialised to the extent anticipated. Important preliminary steps have been taken and it would take some time for this stream of earnings to stabilize. Accordingly, the Revised Estimates for 2000-01 is fixed at Rs. 800.00 crore i.e. Rs. 617.00 crore less than the Budget Estimates for the year. Sundry Other Earnings have been assessed at Rs. 1717.00 crore in 2001-02 anticipating materialization of non-traditional sources in the coming year.

Suspense

49. Keeping in view the non-realization of Railway outstandings from the Power Houses and State Electricity Boards, a further accretion of Rs. 50.00 crore to the 'Suspense' which represents unrealized traffic earnings, has been estimated in the Revised Estimates, 2000-01 as against a clearance of Rs. 500.00 crore anticipated in Budget Estimates. In the Budget Estimates 2001-02 a clearance under this head has been kept at the level of Rs. 750.00 crore.

50. A very high target of Rs. 750 crore for clearing under 'Suspense Account' has been kept in BE (2001-02). Asked about the reasons and details of high accretion in Suspense Account and the target to be achieved in this regard, the Ministry of Railways, in their written reply have stated as under:-

> "Net accretion of Rs. 1397.34 crore during the current financial year has mainly contributed to by Power Houses (Rs.562.74 Crore), Government Departments (Rs. 353.93 crore) and Cash-in-transit (Rs. 161.86 crore).

As per the trend in previous years, the accretion in respect of Government Departments and Cash-in-transit becomes nil at the end of the financial year.

The accretion in dues from SEBs/Power Houses is mainly due to the following Power Houses:

(upto January, 2001) **(Rs. in Crore)**

State Electricity Boards/Power Houses	Closing Balance 03/2000	Net Accretion in 2000-01	Closing Balance 01/2001
Badarpur Thermal Power Station	965.96	14.4	980.36
Punjab SEB	59.63	138.28	197.91
Gujrat SEB	10.42	186.04	196.46
Delhi Vidyut Board	114.02	40.37	154.39
Rajasthan SEB	24.61	43.17	67.78
National Thermal Power Corporation	19.49	36.6	56.09
Maharashtra SEB	6.62	32.06	38.68
West Bengal SEB	2.26	33.46	35.72
Andhra Pradesh SEB	1.92	23.38	25.3
Tamil Nadu SEB	6.04	18.04	24.08
TOTAL		565.8	

When asked about the efforts made by the Railways for realisation of dues the Ministry of Railways have further stated as under:-

(a) Implementation of various schemes of 'Prepayment of Freight' for carriage of Coal booked to Power Houses w.e.f. 01.10.1996.

(b) State Electricity Boards and Power Houses which fail to observe the conditions of 'Prepayment of Freight' as also payment of current freight are closely monitored by the Zonal Railways and regular meetings are held with senior officials of State Electricity Boards and Power Houses.

(c) Pursuant to Governments decision on 07.02.1997 that the outstanding dues from State Electricity Boards and Power Houses as on 31.12.1996 would be adjusted from the Central Plan Assistance of the State Governments subject to certain limits, an amount of Rs. 126.25 crores has been received by the Railways upto January, 2001.

(d) Adjustment of outstanding amounts from State Electricity Boards against traction bills in respect of Uttar Pradesh State Electricity Board, West Bengal State Electricity Board, Andhra Pradesh State Electricity Board and Haryana State Electricity Board.

(e) Ministry of Railways had approached Ministry of Power, Ministry of Finance and Government of NCT, Delhi at various levels for clearance of outstanding dues of Badarpur Thermal Power Station. Based on indications given by the Ministry of Power, a target of clearance of Rs. 500 crore was provided for in the Budget Estimates 2000-2001.

(f) The Chief Ministers were addressed for their intervention in the matter of clearance of outstanding dues to the Railways from the Electricity Boards.

(g) Officers at Senior level and Inspectors periodically contact major defaulting parties.

(h) Railways have been pursuing with the Ministry of Power for clearance of the dues from Power Houses. A target of clearance of Rs. 750 crore from the traffic outstandings has, therefore, been set expecting a clearance of at least Rs. 500 crore from Badarpur Thermal Power Station. Efforts would be stepped up to realise these outstanding dues."

Gross Traffic Receipts

51. The aggregate effect of the above mentioned factors is that the Gross Traffic Receipts for 2000-01 are revised to Rs. 35467.00 crore against the Budget Estimates of Rs. 36529.00 crore. The Budget Estimates of Gross Traffic Receipts for 2001-02 are proposed to be Rs.39989.00 crore.

52. When asked about the factors which led to downward revision of the gross traffic receipts at revised stage for the current year (2000-01), the Ministry of Railways in their written reply have stated as under:-

> "The revised targets of earnings for each segment is fixed keeping in view their performance during the year. The buoyant trend under passenger traffic has been taken into account while enhancing the revised target of passenger earnings to Rs. 10450 crores. The other coaching earnings have been scaled down to Rs. 781 crores due to non-materialisation of parcel traffic as anticipated. As far as freight earnings are concerned, these are estimated to fall short by Rs. 122 crores as a result of change in commodity mix and fall in average lead although the loading target of 475 mt. is likely to be achieved.
>
> Regarding Sundry Other Earnings, the reduction is primarily on account of only partial materialisation of earnings from non-traditional sources such as commercial utilisation of railway land and air space and commercial publicity on rolling stock and station buildings.
>
> The Railways traffic outstanding as on 31st March, 2000 was Rs. 1662 crores, almost 80% of which was due from State Electricity Boards and Power Houses. After discussion with the Ministry of Power it had been anticipated that a clearance of Rs. 500 crore would be possible during the year. The outstanding has risen to Rs. 3027 crore as on 31st December, 2000. However, a substantial portion of this is expected to be cleared by the end of the financial year as has happened in earlier years. Keeping the trends in view, an accretion of Rs. 50 crore under Traffic Suspense has been projected in the Revised Estimates, 2000-01.
>
> Taking into account the above factors, the Gross Traffic Receipts for 2000-01 has been estimated at Rs. 35467 crores in the Revised Estimates which is Rs. 1062 crores less than the Budget Estimates."

53. Inspite of the fact that the gross traffic receipt were revised downword at the revised stage for the current year (2000-01), the gross traffic receipts for the year 2001-02 have been projected at Rs. 39939.00 crore which is higher by 4472.00 crore than the RE for the current year. When asked about the factors which prompted the Railways for higher projection of gross traffic receipts and whether they would be able to achieve this target, the Ministry of Railways, in their written reply, have stated:-

> "The Gross Traffic Receipts for 2001-02 have been assessed based on the following factors:
>
> In view of the trend of growth of originating passengers and lead in the past few years and with the introduction of new services, the passenger earnings for 2001-02 are estimated at Rs. 11,387 crores i.e., Rs. 937 crore higher than the Revised Estimates for the current year.

Freight earnings have been estimated based on likely loading, lead and the (marginally) enhanced freight rates. An originating loading target of 500 mt. has been fixed, keeping in view the likely economic growth and after consultations with users. The average lead adopted is of 654 kms. With the proposed increase in freight rate, estimated to fetch an additional Rs. 500 crore, the freight earnings for 2001-02 have been kept at Rs. 25,235 crores as against Rs. 23,486 crore estimated for the current year.

With the introduction of special parcel trains and increasing leasing of SLRs of passenger trains, other coaching earnings for 2001-02 have been estimated at Rs. 850 crores, higher than the Revised Estimates, 2000-01 by Rs. 69 crores. Sundry Other Earnings from Traditional sources have also been estimated to grow at normal 5%. Additionally, Rs. 1000 crores have been assumed to be mobilized from non-traditional sources, namely leasing of 'right of way' for laying Optic Fiber Cables (OFC), commercial utilisation of railway land and air space and commercial publicity on rolling stock and station buildings. There has been significant progress in 2000-01 as far as earnings from commercial utilisation of land and publicity on rolling stock and stations are concerned. These sources are expected to yield Rs. 300 crores in 2001-02. Generation of revenue from the lease of 'right of way' for OFC had been proposed to be achieved through a dedicated corporation which has since been set up for the purpose. The business plan for the Rail Tel Corporation of India Ltd. (RCIL) has been drawn up and is presently awaiting Government approval. With considerable ground work having thus been completed, once the approval for the business plan is received, it is expected that significant revenue flow on account of leasing of 'right of way' will commence in 2001-02. Accordingly, a target of Rs. 700 crores has been set. With these assumptions, the Sundry Other Earnings for 2001-02 have been budgeted as Rs. 1,717 crores.

Railways have been pursuing with the Ministry of Power for clearance of the dues from Power houses. A target of clearance of Rs. 750 crores from the traffic outstandings has, therefore, been set expecting a clearance of at least Rs. 500 crores from Badarpur Thermal Power Station. Efforts would be stepped up to realise these outstanding dues.

It is the expectation that the target set for Gross Traffic Receipts worked out on the basis of the above assumptions is achievable."

Working Expenses

54. **The details of Gross Working Expenses for years 1998-99 (Actuals); 1999-2000 (Revised & Actuals); 2000-01 (Budget & Revised) and 2001-02 (Budget) are as under:-**

(Rupees In crore)

Demands No. and Nomenclature	Actuals 1998-99	Revised 1999-2000	Actuals 1999-2000	Budget 2000-01	Revised 2000-01	Budget 2001-02
General Superintendence and Services on Railways	1280.18	1402.92	1394.58	1453.31	1436.13	1518.80
Repairs and Maintenance of Permanent way and Works	2470.95	2737.50	2757.85	2903.56	2867.74	2983.28
Repairs and Maintenance of Motive Power	1421.75	1541.86	1558.62	1646.14	1567.20	1716.19
Repairs and Maintenance of Carriages and Wagons	2651.14	2907.44	2913.07	3143.53	3038.54	.3310.98
Repairs and Maintenance of Plant and Equipment	1337.10	1507.33	1497.81	1573.07	1554.34	1660.58
Operating Expenses-Rolling Stock and Equipment	2434.61	2551.23	2518.62	2669.87	2618.92	2758.57
Operating Expenses-Traffic	5009.29	5548.60	5391.90	6080.16	6057.33	6527.46
Operating Expenses-Fuel	4882.69	5599.99	5654.66	6430.02	6580.11	7415.10
Staff Welfare and Amenities	978.68	1100.40	1104.50	1171.26	1136.46	1238.58
Miscellaneous Working Expenses	1272.74	1322.71	1296.32	1456.48	1393.17	1478.09
Provident Fund, Pension and other Retirement Benefits	4159.86	4111.34	4041.18	5333.17	5188.02	5822.53
Total	27898.99	30331.32	30129.11	33860.57	33437.96	36430.16
Credit or Recoveries	-500.36	-447.32	-462.55	-431.61	-455.96	-440.16
Deduct-Amount recouped from funds	-4144.03	-4094.00	-4021.63	-5313.96	-5167.00	-5800.00
NET	23254.60	25790.00	25644.93	28115.00	27815.00	30190.00
Appropriation to D.R.F.	1155.00	1550.00	1670.00	2441.00	2170.75	2704.00
Appropriation to Pension Fund	3425.00	3569.06	3529.06	4995.96	4951.85	5790.00

55. Working Expenses

(a) 1999-2000

The ordinary working expenses (Gross) for the year 1999-2000 came to Rs. 30129.11 crore, which are less by Rs. 202.21 crore as compared to the Revised Estimates of Rs. 30331.32 crore. The excess occurred under all Demands except Demand Nos. 3,7,8,9,12,& 13 which showed savings. Credits or recoveries and amounts recouped from Funds which are outside the grant for the purpose of Vote of Parliament, taken together, were Rs. 57.14 crore less than the Revised Estimates. In the final analysis, the net working expenses were Rs. 145.07 crore less than the Revised Estimates of Rs. 25790.00 crore.

As regards other items making up the total working expenses, Rs. 1670.00 crore have been appropriated to the Depreciation Reserve Fund and Rs. 3529.06 crore to the Pension Fund. As compared to the Revised Estimates for the year, appropriation to Depreciation Reserve Funds has been increased by Rs. 120.00 crore but the same has been reduced by Rs. 40 crore in the case of Pension Fund.

(b) 2000-01 (RE)

The sanctioned Budget Grant for 2000-01 for Ordinary Working Expenses was Rs. 33860.57 crore (Gross). The Revised Estimates of Rs. 33437.96 crore (Gross) is less than the Budget Grant by Rs. 422.61 crore. There has been savings in all the demands except Demand No. 10. Credits in reduction of expenditure are estimated at Rs. 455.96 crore i.e. Rs. 24.35 crore more than the Budget. The amount recouped from Fund has been reduced to Rs. 5167.00 crore over the Budget Grant of Rs. 5313.96 crore. The Revised Estimates of Net Working Expenses has, thus, been kept at Rs. 27815.00 crore, Rs. 300.00 crore less than the budget. Increase of Rs. 422.61 crore in gross expenditure comprises of a reduction of Rs. 420.59 crore under 'Voted' portion, and an increase of Rs. 202.24 lakh under 'Charged' appropriation which is on account of more payments anticipated in satisfaction of court decrees.

As regards, the other items making up Total Working Expenses in Revised Estimates, the contribution to Depreciation Reserve Fund has been kept at Rs. 2170.75 crore i.e. Rs. 270.75 crore less than the Budget level, whereas appropriation to Pension Fund has been decreased to Rs. 4951.85 crore from the Budget level of Rs. 4995.96 crore.

(c) 2001-02 (BE)

The Budget Estimates of Ordinary Working Expenses (Gross) for the year 2001-02 has been placed at Rs. 36430.16 crore involving an increase of Rs. 2992.20 crore over the Revised Estimates of Rs. 33437.96 crore for 2000-01. Credits in reduction of expenditure are estimated at Rs. 440.16 crore i.e. Rs. 15.80 crore less than the Revised Estimates. The amount recouped from Fund is estimated at Rs. 5800.00 crore. Taking together the credits and the amount recouped from Funds, the Net Working Expenses are estimated to be Rs. 30190.00 crore during 2001-02 as against the Revised Estimates for 2000-01 of Rs. 27815 crore, an increase of Rs. 2375.00 crore.

The increase in expenditure of Rs. 2992.20 crore (Gross) is mainly on account of:-

(a) Increase in staff costs (Rs. 1323.39 crore) analysed as under:-

i. Payment of Dearness Allowances (Rs. 536.12 crore)

ii. Salaries, wages on POH and Other Allowances (Rs. 152.67 crore).

iii. Higher pensionary charges (Rs. 634.60 crore) due to resumption of retirements from 2001-02 as also higher dearness relief.

(b) Increase in material and other costs on account of increase in prices, additional maintenance of assets, repairs and maintenance of rolling stock, electrical, signal and telecommunication services, contractual payments, and increase in traffic, etc. (Rs. 608.86 crore).

(c) More expenditure on fuel arising from increase in traffic and prices of Diesel and Electricity tariff (Rs.833.86 crore).

(d) Lease/Hire charges to Indian Railway Finance Corporation (Rs. 227.32 crore).

(e) Partly off-set by less provision under Charged appropriation due to less payments anticipated in satisfaction of court decrees (Rs. 122.37 lakh).

56. Net Miscellaneous Receipts

(a) 1999-2000

As a result of a increase of Rs. 20.28 crore in Miscellaneous Receipts and Rs. 3.77 crore decrease in Miscellaneous expenditure, net Miscellaneous receipts which came to Rs. 640.85 crore in Actuals 1999-2000 which is Rs. 24.05 crore more than the Revised Estimates for that year.

(b) 2000-01

Net Miscellaneous Receipts in the Revised Estimates have been placed at Rs. 822.15 crore against Budget Estimates of Rs. 814.65 crore.

(c) 2001-02

The Budget Estimates for 2001-02 of Net Miscellaneous Receipts is estimated at Rs. 928.20 crore which provides for an increase of Rs. 106.05 crore over the Revised Estimates of 2000-01.

57. Dividend to General Revenues

(a) 2000-01

Based on the latest estimates of Capital-at Charge and higher adjustment of losses in operation of strategic lines, Dividend payable to General Revenues works out to Rs. 2083.57 crore in Revised Estimates, involving a decrease of Rs. 31.81 crore s over the Budget Estimates. Out of this, it is proposed to transfer Rs. 1500 crore to Deferred Dividend Liability Account, as envisaged in the Budget Estimates.

(b) 2001-02

The dividend liability to General Revenues for 2001-02 is estimated at Rs. 2352.00 crore involving an increase of Rs. 268.43 crore over the Revised Estimate of Rs. 2083.57 crore for 2000-01. Out of this, Rs. 1000,00 crore are proposed to be transferred to Deferred Dividend Liability account.

58. Out of the total dividend liability for the year 2001-02 of Rs. 2352.00 crore, Rs. 1000.00 crore are proposed to be transferred to Deferred Dividend Liability Account thereby showing an Excess of Rs. 831.20 crore . Normally the payment towards dividend is treated as expenditure and therefore deducted from gross income to arrive at the status of Excess or Shorfall. When asked whether the amount of deferred dividend has been treated as expenditure and if so, how the amount of Rs. 831.20 crore has been shown as Excess, the Ministry of Railways, in their written reply have stated:-

"The amount of deferred dividend is not treated as part of expenditure in the year of deferment. This is taken as expenditure in the year in which the deferred dividend liability is actually paid.

It is true that if the dividend was not deferred to the extent of Rs. 1000 crore, there would have been a 'shortfall' of Rs. 168.80 crore instead of an 'Excess' of Rs. 831.20 crore in 2001-02 (BE)."

Freight Traffic

59. **(a) 1999-2000**

The traffic plan envisaged lifting of 450 million tonnes of originating revenue freight traffic and traffic output of 302 billion tonnes kilometres (BTKM) in 1999-2000 at the Revised Estimates stage. The actual performance during 1999-2000 has been 456.42 million tonnes of originating traffic which is

35.50 million tonnes more than the performance in 1998-99. The traffic output was 305 BTKM is compared to 282 BTKM in 1998-99. The earnings at Rs. 22,061 crore registered an increase of 10.5% over 1998-99.

(b) 2000-2001

The target of 475 million tonnes originally fixed for the year 2000-2001 has been retained in Revised Estimates. Total freight earnings (including ‘Other goods earnings’ such as wharfage, demurrage etc.) in the first 9 months of 2000-01 at Rs. 17,242.61 crore (Provl.) increased by Rs. 1,101.08 crore (6.82%) over the corresponding period of the previous year. However, keeping in view the changes in product mix and fall in lead, the

freight earnings with a traffic output of 313 BTKM have been estimated at Rs.23486 crore i.e. Rs. 122 crore less than the earnings anticipated in Budget Estimates.

(c) 2001-2002

The targets and the projected level of revenue earning traffic for the year 2001-2002 vis-à-vis 2000-2001 are as under:-

		2000-01 (RE)	2001-02 (BE)
(a)	For originating loading	475 MT	500 MT
(b)	Lead	659	654
(c)	Tonnes Kms.	313 BTKMs	327 BTKMs
(d)	Earnings	Rs. 23, 486 cr	Rs. 25,235 cr.

Passenger Traffic

60. **(a) 1999-2000**

Passenger journeys at 4,585 million in 1999-2000 increased by 3.94% from 4,411 million in the previous year. Passenger kms. also increased by 6.68% from 404 billion in 1999-99 to 431 billion in 1999-2000. Earnings from passengers were Rs.9,555.62 crore, registering an increase of Rs. 1,028.88 crore (12.07%) over the previous year.

(b) 2000-01

In the first six months (April-September) of 2000-01, the number of originating passengers at 2,407 million (Provl.) increased by 154 million as compared to the corresponding period of 1999-00. Passenger earnings at Rs. 5,026.11 crore increased by Rs. 447.24 crore (9.77%) over Rs. 4,578.87 crore of the corresponding period of the previous year.

(c) 2001-02

As per Mid-Term Review of the IX Plan the estimate for passenger traffic in the year 2001-02 have been revised to 4,927 million. This represents a growth rate of about 2.54 % per annum. The target for 2000-01 is 457.28 billion passenger kilometer and with the same trends continuing in 2001-02 the growth rate vis-à-vis passenger kilometes would be in the ragne of 5.08% per annum.

Fare & Freight Rates

61. The details of the proposed tariff adjustments for the year 2001-02 are as under:-

(i) Freight

(a) There will be no increase in the freight rates of Edible Salt, grains & Pulses (classified under 95M for Trainload and 100M for Wagonload), Sugar, fruits & Vegetables, Urea, Edible Oil (Oils-Div. E), Kerosene and LPG.

(b) Marginal increase of two per cent (2%) in Coal, Iron and Steel (Div. A, B & C) and one Per cent (1%) in Furnace Oil are proposed. However, there will be no increase in the rates of coal for household consumption.

(c) Furnace Oil will be suitably reclassified.

(d) Existing and proposed freight rates at selected distances for trainload movement in respect of Coal, Iron and Steel (Div. A, B & C) and Furnace Oil may be seen at Annexure-I.

(e) The freight rates of all other commodities except those mentioned in paras (a) and (b) above are proposed to be increased by three per cent (3%).

(f) Existing and proposed freight rates of selected commodities at 700 km may be seen at Annexure-II.

(g) Existing and proposed freight charges per tonne for selected commodities (Trainload) between specific pairs of stations may be seen at Annexure-III.

(ii) Passenger Fares

No increase has been proposed in the Passenger fares of any class or category of train.

(iii) **Parcel and Luggage Rates**

No increase has been proposed in Parcel and Luggage rates including that of Newspaper and Magazines.

ANNESURE – I

	Coal		Iron and Steel		Furnace Oil (Div. A,B & C)	
Distance	**Existing Class 130A Rate/tonne (Rs.)**	**Proposed Class 130A Rate/tonne (Rs.)**	**Existing Class 200A Rate/tonne (Rs.)**	**Proposed Class 200A Rate/tonne (Rs.)**	**Existing Class 270 Rate/Tonne (Rs.)**	**Proposed Class 270A Rate/tonn (Rs.)**
1	**2**	**3**	**4**	**5**	**6**	**7**
100	101.80	103.84	144.90	147.80	186.50	188.37
200	170.90	174.32	249.00	253.98	325.50	328.76
500	384.20	391.88	574.10	585.58	758.10	765.68
1000	746.20	761.12	1122.80	1145.26	1519.60	1534.80
1500	1074.60	1096.09	1635.80	1668.52	2199.90	2221.90
2000	1317.30	1343.65	2033.70	2074.37	2729.70	2757.00
2500	1504.30	1534.39	2325.00	2371.50	3121.90	3153.12
3000	1672.90	1706.36	2587.90	2639.66	3475.20	3509.95

ANNEXURE – II

Existing and Proposed Freight rates of selected commodities at 700 Km.

		Train Load			Wagon Load		
Sl. No	**Commodity**	**Existing Rate/Qtl. (Rs.)**	**Proposed Rate/Qtl. (Rs.)**	**%age Variation**	**Existing Rate/Qtl. (Rs.)**	**Proposed Rate/Qtl. (Rs.)**	**%age Variation**
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
1.	Wheat	34.49	34.49	0.0	36.17	36.17	0.0
2.	Coal	52.25	53.30	2.0	54.13	55.21	2.0
3.	H.R. Coils	78.60	80.17	2.0	85.76	87.48	2.0
4.	Urea	35.21	35.21	0.0	36.78	36.78	0.0
5.	Iron Ore	48.08	49.52	3.0	50.02	51.52	3.0
6.	Cement	56.74	58.44	3.0	58.49	60.24	3.0
7.	Furnace Oil	105.86	106.92	1.0	124.17	125.41	1.0
8.	Sulphate of ammonia	40.50	41.72	3.0	44.35	45.68	3.0
9.	High Speed Diesel (HSD)	105.86	109.04	3.0	124.17	127.90	3.0
10.	Groundnut Oil NOC	33.27	33.27	0.0	35.21	35.21	0.0
11.	Oil Cake	44.35	45.68	3.0	46.23	47.62	3.0
12.	Soda Ash, Light	61.44	63.28	3.0	63.59	65.50	3.0

ANNEXURE – III

Existing and proposed Freight charges per tonne
For selected commodities (at Trainload Class) between specific pairs of Stations

Sl No	Pair of Stations	Distance (Km)	Commodity	Existing Freight Per tonne (Rs.)	Proposed Freight Per tonne (Rs.)	Increase per Tonne (Rs.)
1	2	3	4	5	6	7
1.	Tori-Renukut	237	Bauxite	188.50	194.16	5.66
2.	Pakaur-Chitpur	259	Stone NOC	201.50	207.55	6.05
3.	Meralgram-Bokaro Steel City	432	Dolomite	305.80	314.97	9.17
4.	Rajbandh-New-Jalpaiguri Jn.	503	HSD	777.40	800.72	23.32.
5.	Sasalu-Chennai Harbour	669	Iron Ore	467.10	481.11	14.01
6.	Tondiarpet-Visakhapatnam Port	790	Ammonium Chloride	457.20	470.92	13.72
7.	Jalgaon-Delhi Kishanganj	1146	Moong Dal	559.20	559.20	0.00
8.	Sirpur Kaghaznagar-Delhi Kishanganj	1379	Paper NOC*	1083.50	1116.01	32.51
9.	Adilabad-Delhi Kishanganj	1383	Oil Seeds*	1008.50	1038.76	30.26
10.	Sindri-Dharmanagar	1475	Cement	1156.80	1191.50	34.70
11.	Katrasgarh-Bhatinda (PH)	1496	Coal	1074.60	1096.09	21.49
12.	Bokaro Steel City Bhatinda	1519	Steel Slab	1663.00	1696.26	33.26
13	Erode Jn.-Shalimar	2035	Sugar	1081.60	1081.60	0.00
14.	Erode-Delhi Kishanganj	2542	Jagree*	759.50	782.29	22.79
15.	Milavittan-Howrah	2592	Salt NOC	485.30	485.30	0.00

Note:- Freight may change if there is any variation in chargeable distance.

***Wagonload rate**

Reserve Fund Balances

62. The factual position of balances in various Railway funds as on 31st March, 2000 are as follows:

(Rs. in crore)

Name of the Fund	Balance on 1.4.99	Contribution to Fund during 1999-00	Withdrawals during 1999-00	Balance on 31.3.00
Depreciation Reserve Fund	676.72	1,795.23	2,421.14	50.81
Pension Fund	315.45*	3,782.32	4,021.63	76.14
Development Fund	0.42	497.02	496.99	0.45
Railway Capital Fund	262.88	358.50	600.25	21.13
Total	1,255.47*	6,433.07	7,540.01	148.53

* **Includes Rs. 2.10 crore over Transfer Without Financial Adjustment (TWFA).**

63. The above figures show that during the last couple of years it has been the tendency of the Railways to withdraw the maximum amount from the Reserve/Development/Capital Funds etc. thereby reducing the balance at the minimum.

64. When asked about the impact of these overdrawals from these funds on the Railway financial health in the coming years, the Ministry of Railways, in their written reply have submitted as under:-

"The implementation of the Fifth Central Pay Commission has resulted in a steep increase in the Working Expenses of the Railways in the last four years. As a result, the Railways are able to generate for less resources to provide for necessary renewals, replacements and maintenance of existing assets. The increased market borrowings have also resulted in increased revenue expenditure by way of lease charges. This too has contributed to depressing the internal resources generation. As a result, Railways have had to draw down drastically from the balances of the Railways Funds in the years 1998-99 and 1999-2000. The balances in the various funds, which stood at Rs. 3567 crore at the end of 1997-98, have reduced to Rs. 276 crore at the end 2000-01 (Revised Estimates).

Beyond 1999-2000, however, i.e. in 2000-01 while there has been no overdrawal from the funds, a partial deferment of dividend became necessary. Projections for the coming year indicate that the growth in working expenses (including the growing requirement for pension) is likely to be more than the growth in earnings. If the element of re-payment of deferred dividend is also factored in, the internal general of resources is likely to be so meagre that building up of balances in the various funds would not be possible. In fact, the full requirements of the Depreciation Reserve Fund, essential for replacement of overaged assets, would also not be met".

65. Land Management

The Railways own about 4.20 lac hectares of land which is mainly used for locating service and operational infrastructure such as track, stations, workshops, staff colonies etc. The break-up of the land is as follows:

	AREA (IN LAC HECTARES)
Track and structures including workshops, stations, colonies etc.	3.34
Afforestation	0.35
Grow More Food Scheme	0.19
Commercial licensing	0.04
Other miscellaneous uses like pisciculture	0.01
Encroachment	0.02
Vacant land	0.25

66. Every year new lines are constructed, hospitals/staff quarters are built; lakhs of saplings are planted on the Railway land; etc. but the quantum of Railway land under the above categories remains the same. Similarly the number of steps as intimated by the Railways were taken and are being taken to remove the encroachment from the Railway land but the quantum of land under encroachment always remains the same (0.02 lakh hectares). While stating the factual position in this regard, the Ministry of Railways have submitted as under:-

"Certain data has been compiled but the need for its re-verification has been felt and the same is being done in consultation with Zonal Railways. In fact, due to this reason replies to two Parliament Questions seeking details of vacant land, land under encroachment and land under pisciculture and other purposes, were made Assurance. The revised details compiled will be placed before the Standing Committee, as soon as the figures are checked.

These lands are not surplus or available for disposal. There is thus an intermediate phase when the land acquired by Railways for future operational and developmental needs, remain vacant or unutilised. Till such time the vacant lands are actually utilised these are required to be preserved and put to short term uses.

Railway lands, other than those under track and structures and those required for immediate use of the Railways are largely utilised for afforestation. Afforestation on commercial terms is also under consideration of the Railway. Temporary licensing of land to Railway employees in certain specified areas for cultivation purposes is also done. Vacant land is also temporarily licenced for purposes connected with Railway working.

As brought out in IX Plan document, Railways are also using vacant lands wherever possible for commercial development after retaining the space required for Railway's own use".

Revenue Leakages

67. There is a general feeling that rampant corruption is prevalent in most of the Railway Departments. A sizable railway revenue is being lost due to various factors. Asked about the areas of revenue leakages, the Ministry of Railways have intimated as under:-

"The leakage of revenue generally takes place at the public interface of goods and passenger booking besides certain losses of sundry earning in activities like scrap disposal.

The leakage of revenue in goods booking takes place through under-weighment, wrong classification, incorrect routing for the purpose of calculating the freight charges and wrong calculations of demurrage and wharfage.

The leakage in coaching earning arises out of ticketless travels, excess unbooked baggage, underweighment of parcel consignments etc.

Incorrect lot formations of scrap, fixing of reserve prices, delivery of scrap different from the auctioned scrap and delivery of excess scrap results in leakage of revenue in the activity of scrap disposal".

68. Asked about the steps taken / being taken to plug this menace, the Ministry of Railways have stated as under:

(a) "While the departmental executives maintain a regular watch and control on the system through supervisors and inspectors, the Vigilance also carries out preventive checks, decoy checks and other investigations to curb the menace of corruption and plug the leakage of revenue.

(b) Special emphasis has been laid on weighment and originating station or enroute or at the terminal to minimize the incidents of underwighment remaining undetected. For this purpose, some new electronic weigh-bridges have also been installed.

(c) A large number of VPUs/SLRs have been leased out charging the contractor from originating to destination station thereby curbing leakage of revenue in parcels. Heavy penalties have also been fixed for overloading of SLRs and VPUs.

(d) Intensified checks at the time of auction and subsequent deliveries of the scrap were also carried out by Vigilance besides physical verification of stores with book balances etc. to identify shortage/excesses".

69. Passenger Services

(a) New Trains

The Railways have proposed to introduce the following new trains:-

(i) New Delhi-Raipur-Bilaspur weekly Rajdhani Express.

(ii) New Delhi-Ranchi-Hatia weekly Rajdhani Express.

(iii) Bi-weekly express between Gorakhpur and New Delhi.

(iv) Bangalore-Vasco Bi-weekly Express.

(v) Pune-Ernakulam Weekly Express via Londa and Madgaon.

(vi) Asansol-New Jalpaiguri weekly Express.

(vii) Secunderabad-Dharmavaram Express.

(viii) Sealdah-New Jalpaiguri Bi-weekly Express.

(ix) Jaipur-Ernakulam Weekly Superfast Express.

(x) Dhanbad-Hatia Intercity Express.

(xi) Howrah-Yashwantpur (Bangalore) Bi-weekly Express.

(xii) Indore-Gandhinagar (Ahmedabad) Express.

(xiii) Howrah-Trivandrum-Nagercoil Weekly Express.

(xiv) Kurla-Bhubneshwar (Via Sammbhalpur) Weekly Express.

(xv) Valsad-Patna Weekly Express serving Surat area.

(xvi) Haldia-Asansol Express.

(xvii) Jodhpur-Chennai Weekly Express.

(xviii) Solapur-Pune Intercity Express.

(xix) Jodhpur-Hardwar Link Express.

(xx) Palghat-Trivandrum Express.

(xxi) Bhubaneshwar-Palasa Intercity Service.

(xxii) Asansol-Jhajha-Amritsar weekly Express.

(xxiii) Weekly Rajdhani Express to Secunderabad upon completion of New Terminal Works at Hazrat Nizamuddin.

(xxiv) Rampurhat-Howrah Intercity Express.

(b) New 'Matribhumi' Express train services during peak rush season with only second class and second class slipper coaches will be introduced on the following routes:**-**

i. Delhi-Jammu
ii. Howrah-Delhi
iii. Howrah-Dehradun
iv. Delhi-Barauni via Lucknow
v. Hyderabad-Bangalore
vi. Mumbai-Gorakhpur
vii. Mumbai-Varanasi

(c) Increase in frequency

The frequency of the following trains are proposed to be increased during 2001-2002:-

i. Sealdah-New Delhi Rajdhani Express from 2 days to 4 days a week.
ii. Gorakhpur-Dehradum Express from 2 days to 3 days a week.
iii. Rajkot-Ernakulam Express from one to 2 days and extension upto Okha.
iv. Jabalpur-Rajkot Express from 2 days to 4 days by extending Rajkot-Bhopal Express to Jabalpur on 2 days.
v. Sealdah-Derbhanga Ganga Sagar Express from 4 days to daily.
vi. Vishakhapatnam-Bilaspur Express from 4 days to daily and extension upto Korba.
vii. Secunderabad-Rajkot Express from weekly to 2 days.
viii. Nizamuddin-Bilaspur Gondwana Express from 3 days to 5 days by extending Nizamuddin Nagpur Express to Bilaspur.
ix. Indore-Jaipur Express from weekly to 2 days.

(d) Extensions

Further extension of the following trains have also been proposed:-

i. Surat-Patna Bi-weekly Express from Patna upto Bhagalpur.
ii. Pune-Varanasi Express to Darbhanga on 1 day.
iii. New Delhi Guwahati Rajdhani Bi-weekly express to Dibrugarh Town from one day to two days.
iv. Chennai-Guwahati Bi-weekly Express to Dibrugarh Town on one day.
v. Jodhpur-Jaipur Intercity Express to Sawai Madhopur.
vi. Guwahati-Lumding Express to Dimapur.
vii. Kacheguda-Palasa Express to Bhubaneshwar.
viii. Jodhpur-Jammu Tawi Express to Ahmedabad.
ix. Howrah-Gorakhpur weekly Express via Barauni, Ballia and Indara to provide a direct service between Ballia and Howrah.

(e) MEMU / EMU / DMU Services

The following MEMU/ EMU / DMU services have been proposed:-

MEMU/EMU

i. Kazipet-dornakal-Vijayawada
ii. Purulia-Adra
iii. Bilaspur-Nagpur
iv. Kanpur-Shikohabad
v. Bilaspur-Nagpur
vi. Kanpur-Sikohahad
vii. Bilaspur-Raigarh.
viii. Bally-Bandel (2 pairs)

DMU

i. Kharagpur-Jaleshwar-Bhubaneshwar
ii. Jalandhar-Hoshiarpur
iii. Kotkapura-Fazilka
iv. Samastipur-Darbhanga

Surveys

70. The following surveys are proposed to be undertaken during 2001-02:-

(a) New Line Surveys

i Bhagirathi Bridge to connect Nasipur and Jiaganj Railway line

ii. Donakonda to Vedareva

iii. Mysore to Mangalore via Madikere

iv. Latur Road to Mudkhed

v. Ferozpur Cantt. to Taran Taran

vi. Halem to Itanagar

vii. Kharghoda to Santalpur

viii. Bulb line at Shoranur

ix. Rotegaon to Punthamba

x. Sahnewal to Ladowal

xi. Madurai to Tuticorin

xii. Vaikam to Vaikam Road

xiii. Kumbhakonam to Namakal via Jayakondam, Ariyadur, Perambdur and Thuraiyur

xiv. Shahganj to Amethi via Sultanpur

xv. Kazipet to Nalgonda

xvi. Jiribam-Imphal

xvii. Jhajha to Giridih via Sonuchakai

xviii. Updating survey for Ernakulam-Punalur-Trivandrum

xix. Jaypore-Malkangiri

xx. Howrah-Sealdah 3rd line between Belangar-Bally and additional loop at Dumdum, Baranagar and Bally

xxi. Budge Budge to Uluberia including a rail cum road bridge

xxii. 2nd coaching terminal at Trivandrum

xxiii. Byepass at Bandel and Naihati

xxiv. Ranjitpura to Yeshwantnagar

xxv. Development of infrastructure in Kakinada area

xxvi. Thanjavur to Chennai Egmore via Adiyalur

(b) Gauge Conversion Surveys
Virudnagar to Manamadurai

(c) Doubling Surveys
i. Ujjain to Indore

ii. Patratu Chandil via Barkhakana

iii. Gooty-Renugunta section of remaining single line section

Railways share in Transport

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

Share of Railways in Goods and Passenger Traffic

(Per cent)

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

72. When asked about the strategy of the Railways to augment and strengthen their capacity to optimise their market share in respect of freight and passenger traffic vis-à-vis road transport, the Ministry of Railways in their written replies have stated as under:-

"For Indian Railways the major portion of the earnings (93%) comes from freight and passenger traffic and 7% from other coach earnings, sundry earnings and miscellaneous receipts. Out of 93% of the major earnings, freight traffic contributes 65% and passenger traffic contributes 28%. Earlier, Railways were having monopoly in both passenger and freight traffic. However with the passage of time, the Railways are encountering stiff comptition from other modes of transport mainly road transport. In absolute terms however there has been increase in the volume as well as earnings from passenger and freight traffic. As against Rs. 18040.45 crores earned during 1999-2000, earning from freight traffic increased to Rs. 19211.76 crores during 2000-01, registering an increase of 6.49%. Similarly as against Rs. 7786.60 crores earned during 1999-2000, earning from passenger traffic increased to Rs. 8556.46 crores during 2000-01, registering an increase of 9.89%. However, decline in Railways' share has been a cause of concern for the Railways. In order to reverse this trend Railways have taken following measures to increase capacity of the Railways system as well as their share of freight and passenger traffic.

1. Measures taken to increase capacity of Railway System

(i) Splitting of long block sections.
(ii) Upgrading standard of interlocking and signalling.
(iii) Installing Automatic Signalling
(iv) Doubling/laying of additional lines
(v) Use of higher capacity wagons
(vi) Running more wagons/coaches per train
(vii) Introduction of Air Brakes
(viii) Use of high Horsepower Locomotives.

Besides the above, Trails are underway to increase the speed of goods trains which will decrease the speed differential between passenger and goods trains. This in turn will increase of capacity of high density routes.

During the IX Five Year Plan, the allocation on Doubling Planhead has also gone up from Rs. 291 crores in 1997-98 to Rs. 672 crores (BE) in 2001-02. The corresponding figures for Traffic Facilities Planhead are Rs. 128 crores and Rs. 225 crores.

2. Measures taken to augment Railways share of freight traffic & passenger traffic:

I. Freight Traffic

(A) Bulk Traffic

(i) Simplification of siding rules.
(ii) Special care to identified customers.
(iii) Volume Discount Scheme.
(iv) Setting up of Private Terminals.
(v) Facilitating warehousing at existing Railway terminals

(vi) Development of new wagons.

(B) Non-bulk Traffic

(i) Extending new concept of Roll-on-Roll-off freight movement in trucks to provide door-to-door collection and delivery.
(ii) Running of fixed schedule freight trains and terminal operations.
(iii) Expansion of Parcel Services.

(a) Leasing of SLR.
(b) Round Trip VP leasing.
(c) Point to Point Parcel service.
(d) Future plans for introducing Metro Freight Service.

II. <u>Passenger Traffic:</u>

(A) Marketing measures to meet demand with supply:

(i) Waiting list analysis to Plan for running of Special Trains and augmentation of coaches.
(ii) Planning and running of scheduled and unscheduled Special Trains.
(iii) Increasing the load of Trains.
(iv) Rescheduling of train timings.

(B) <u>Communication with passengers</u>

(i) Launching of Website.
(ii) Publicity and information for Special Trains run etc.
(iii) National Train Enquiry System (NTES).

(C) <u>Ease of issue of tickets as a marketing measure:</u>

(i) Networking of Passenger Reservation System.
(ii) Tatkal Scheme for Marketing and increase in earnings.
(iii) Issue of Tickets through Rail Travellers' Service Agents (RTSAs).
(iv) Tele Booking Scheme.
(v) Installation of Self-Printing Tickets Machines.
(vi) Issue of MSTs and QSTs through Central Server.
(vii) Issuing of tickets through Automatic Teller Machines (ATMs).
(viii) Reservation of tickets through Internet.
(ix) Refunds procedure.

(D) <u>Close monitoring of earnings:</u>

(i) Segment-wise analysis.
(ii) Intensive Ticket checking drives".

IX Five Year Plan (1997-2002) - Performance

73. The objectives of the IX Five Year Plan are as under:-

(a) Generation of adequate rail transport capacity for handling increasing freight and passenger traffic with special emphasis on development of terminals;

(b) Completion of the process of rehabilitation, replacement and renewal of over-aged assets:

(c) Modernisation and upgradation of the Railway Transport System to reduce the costs, improve reliability, safety and quality of service to customers;

(d) Continue with the policy of Uniguage.

(e) Introduction of 6000 HP Electric Locomotives and 4000 HP Diesel Locomotives employing State-of-the-Art technology;

(f) Expand and upgrade inter-modal operations including containerisation;

(g) Improvement of manpower productivity, work culture and staff morale.

Freight Traffic

74. Demand for freight traffic in terminal year of the IX Five Year Plan (2001-2002) has been estimated at 525 million tonnes (MT) of revenue earning traffic, and 353 billion tonnes kilometers (BTKM) of transport output. This represents an average growth rate of 5% per annum.

However, as per the Mid-Term review of the IX Plan the estimates for freight traffic in the terminal year 2001-02 has been scaled down to 500 million tonnes (MT) of Revenue earning Traffic and 327 billion tonnes kilometres (BTKM) of transport output. This represents an average growth rate of 3.5% per annum.

Passenger Traffic

75. The Passenger traffic in the terminal year of the IX Five Year Plan has been projected at 4782 million originating passengers and the passengers kilometers at 399.4 billion. This represents a growth rate of about 3% per annum.

However, as per the Mid-Term Review of the IX Plan, the estimates for passenger traffic in the terminal year 2001-02 have been revised to 4,927 million. This represents a growth rate of about 2.54% per annum. However, the targets for passenger kilometres have already been exceeded in 1999-2000 itself where the actual passenger kilometres achieved was about 433.39 Billion passenger Kilometres. The target for 2000-01 is 457.28 billion passenger kilometres and with the same trends continuing in 2001-02 the growth rate vis-à-vis passenger kilometres should be in the range of 5.08% per annum.

Indian Railway Finance Corporation (IRFC)

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

77. When asked about the total liability of Railways towards lease charges and its impact on their plan works and details of the total capital generated with the help of financial resources provided by IRFC since its inception and the revenue generated with that capital, the Ministry of Railways have intimated as under:-

> "(a) Railways have not taken any loan from Indian Railway Finance Corporation (IRFC)/other Institutions. However, as per mandate given by the Ministry of Railways every year, IRFC has been raising funds from the market which are used to finance the acquisition of Rolling Stock such as Locomotives, Coaches and Wagons. The rolling stock thus acquired are leased/sub-leased to the Railways under Lease/Sub-Lease Agreement executed between IRFC and Ministry of Railways.

The liability of the Railways anticipated as on 31st March 2001, is shown below:-

(Rs. in Crore)

Year	Valaue of assets leased/subleased by IRFC to MOR	Cumulative value of assets	Lease rentals payable on accrual basis (capital+interest	Component of Principal out of Col.4
1	2	3	4	5
1987-88	770-33	770.33	54.80	17.61
1988-89	860.73	1631.06	175.27	57.76
1989-90	1072.56	2703.62	317.18	109.35
1990-91	1170.04	3873.66	473.40	173.95
1991-92	1500.49	5374.15	665.86	255.54
1992-93	961.82	6335.97	871.56	341.74
1993-94	900.38	7236.35	1009.32	419.75
1994-95	1050.10	8286.45	1172.65	505.44
1995-96	658.74	8945.19	1339.41	597.82
1996-97	1901.84	10847.03	1516.79	713.04
1997-98	2237.77	13084.80	1833.72	835.91
1998-99	2950.29	16035.09	2122.27	919.67
1999-00	2848.93	18884.02	2479.12	1053.33
2000-01 (Prov.)	3200.00	22084.02	2733.05	1084.89
TOTAL				7085.80

It may be seen from above that out of a gross liability of Rs.22,084 crore as on 31.03.2001, liability to the extent of Rs. 7,086 crore has been discharged and the outstanding liability as on 31.03.2001 is Rs. 14,998 crore.

(b) During the year 1999-2000, out of Rs. 2479 crore payable to IRFC towards lease charges on accrual basis, an amount of Rs. 2350 crore was paid which constituted 7.13% of Gross Traffic Receipts in 1999-2000 (Rs. 32939 crore). As a percentage of Ordinary Working Expenses during 1999-2000 (Rs. 25,645 crore), lease charges paid worked out to 9.16%. Lease charges payable during 2000-01 (Rs.2733 crore) (provisional) work out to 7.7% of GTR (Rs. 35,467 crore) and 9.8% of OWE (Rs. 27815 crore). As per Budget Estimates 2001-02, lease charges payable (Rs. 3028 crore) work out to 7.58% of GTR (Rs.39939 crore) and 10% of OWE (Rs. 30190 crore).

As regards the impact of lease rental out-flow on the Plan projects, it may be noted that Railways had to go in for leasing arrangements so as to augment resources to finance the Railway Plan in view of inadequate budgetary support over the years and constraints on internal resources generation. It may be mentioned here that despite market borrowings, there is still a large throw-forward of sanctioned works including track renewals, and but for market borrowings, the position would have been aggravated, leading to severe constraints on capacity, modernisation and expansion. Thus, though market borrowings were a costlier option as compared to budgetary support and internal generation, assets created (mostly in the form of higher capacity, modern rolling stock) helped the Railways to increase efficiency of operations and earnings.

(c) A statement showing the number and value of rolling stock acquired under lease/sublease from IRFC year-wise is attached.

As regards revenue generated by leased assets, it may be mentioned that such data is not maintained since leased rolling stock form part of the total rolling stock pool of the Railways and no distinction between leased and owned assets can be made during normal operations. However, a general indication regarding the revenue generation by leased wagons and coaches may be seen from the tables below:-

Year	**Total wagon holding as on 31st March (In Units)**	**Wagons leased/ subleased by IRFC as on 31st March (In Units)**	**IRFC leased wagons as percentage of total holding**	**Total earnings from freight (Rs. in cr.)**	**Earnings from IRFC wagons (Rs. in cr.)**
1	2	3	4	5	6
1990-91	346102	34237	9.9%	8247	816
1991-92	346394	45254	13.1%	9293	1214
1992-93	337562	51949	15.4%	10664	1641
1993-94	312405	57037	18.3%	12275	2241
1994-95	291360	59997	20.6%	13424	2764
1995-96	280791	63371	22.6%	14973	3379
1996-97	272144	70737	26.0%	16354	4251
1997-98	263981	77498	29.4%	19595	5753
1998-99	252944	85042	33.6%	19676	6615
1999-2000	244419	90191	36.9%	21755	8028

Year	Total number of passenger coaches as on 31st March (In Units)	Coaches leased by IRFC as on 31st March (In Units)	IRFC leased coaches as percentage of total holding	Total passenger earnings (Rs. in cr.)	Earnings from IRFC leased coaches (Rs. in Cr.)
1	2	3	4	5	6
1990-91	28677	2587	9.02%	3145	284
1991-92	29469	3503	11.89%	3682	438
1992-93	30298	4274	14.11%	4311	608
1993-94	30537	4925	16.13%	4891	789
1994-95	30036	5488	18.27%	5459	997
1995-96	29472	5757	19.53%	6113	1194
1996-97	29978	6446	21.50%	6616	1423
1997-98	30739	7992	26.00%	7554	1964
1998-99	31554	9863	31.26%	8527	2665
1999-2000	32302	12221	37.83%	9556	3615

Restructuring of Railways

78. The present financial position of the Railways clearly shows that there is crisis and chaos in every field of Railways whether it is safety or maintenance of Railway assets or laying of new lines or track renewal. There are number of pending and ongoing Projects which require huge financial resources. Thus it leads towards fresh thinking that there is an urgent need of the reforms, revival and rejuvenation of the Railway system. In this connection an Expert Group which was set in 1998 has submitted an interim executive summary of their Report very recently and the Railway Minster has also set up an advisory Committee under the Chairmanship of Shri Sam Pitroda for suggesting ways and means of initiating comprehensive modernisation of the Indian Railways with the application of appropriate technologies and also for suggesting areas of resource mobilisation in various facets of Railway functioning.

79. When the Committee wanted to know the terms of reference and other conditions of these Committees and recommendations/suggestions made by the Expert Group in their Interim Report the Ministry of Railways in their written reply have stated as under.

> "A Railway Expert Group under the Chairmanship of Dr. Rakesh Mohan, formerly DG/NCEAR and presently Advisor to the Union Finance Minister was constituted in December' 1998 for studying the Railway sector.

The terms of reference for the Expert Group are:

i) To estimate the financing requirements of an expansion and upgrading programme of Indian Railways that would optimise the use of the rail transport mode and support a rate of traffic growth commensurate to the rate of growth of economy;

ii) To identify the sources of funding of the estimated investments over a fifteen year period, the fiscal and policy measures needed for accessing the fund sources and priorities in investment;

iii) To study the models of structure and ownership of rail transport facilities devised and functioning in developed countries and to recommend on their relevance to Indian Railways' requirements so as to facilitate the objectives mentioned above; and

iv) To recommend suitable regulatory arrangements that would facilitate orderly expansion of the system, promote the desired degree of competition and protect the user' right to quality service.

The Expert Group has submitted an Interim Executive Summary of the report on 17.2.2001. The final report is still awaited. The major recommendations of the Expert Group are summarized below:

1. Institutional separation of roles into policy, regulatory and management functions. This will mean:

    a) Policy makers are limited for setting policy (and paying for what they ask for). The Government of India will be in charge of setting policy direction.

    b) Provide operational autonomy and insulate Indian Railways by Corporatising it into "Indian Railways Corporation" (IRC). It would be governed by a reconstitued Indian Railways Executive Board.

    c) Set up an Indian Rail Regulatory Authority to regulate IRC's activities as a monopoly supplier of rail services particularly related to tariff setting.

2. Ex ante acceptance and commitment by the Government and Indian Railways that Indian Railways will operate an commercial lines. Non-commercial activities mandated by the Government will be clearly demonstrated and Indian Railways appropriately compensated for such activities.

3. In view of financial crisis Indian Railways to pursue the strategic high growth pattern for financial recovery.

4. Provides exemption from taxation – excise, sales tax etc. for the period of transition, say 5 to 7 years.

5. Set up a social safety net to take care of surplus labour.

6. Restructuring of financial accounts of Indian Railways in accordance with the Company's Act, 1956.

7. Spinning off non-core activities.

8. Rebalancing of tariffs to eliminate cross subsidisation.

The Interim Executive Summary is under examination by a Committee of Executive Directors of Railway Board.

In order to initiate comprehensive process of modernization of Railways system and for launching a new initiative for resource mobilisation, an Advisory Committee under the Chairmanship of Shri Sam Pitroda has been set up. The Terms of Reference of the Committee shall be as under:

i. Suggest ways and means for initiating comprehensive modernisation of Indian Railways with the application of appropriate technologies.

ii. Suggest areas for resource mobilization in various facets of Railways functining.

iii. Suggest ways and means for development of Railway assets for revenue generation.

This Committee is expected to submit its report in six months time".

Demand NO. 16

ASSESTS - ACQUISITION, CONSTRUCTION AND REPLACEMENT.

80. Demand No. 16 represents Plan expenditure which covers assets acquisition, construction and replacement. This Plan expenditure on Railways is financed through three sources viz. (1) Capital/Budgetary Support from General Exchequer (2) Internal Resources and (3) Extra Budgetary Resources in the form of Market Borrowings.

Ninth Plan Allocations

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

82. The achievements made in the major activities during the initial 3 years (i.e. from 1997-98 to 1999-2000) of the Ninth Five Year Plan are as under:-

Area of Activity	**Target for IX Plan as Per the approved plan Size of Rs. 45,413 crore**	**Actual achieved in in the first 3 years of the Plan**	**Percentage Achieved**
New Lines	819 km.	410 km.	50
Gauge Conversion	3710 km.	1740 km.	47
Doubling	2500 km.	640 km.	26
Track Renewals	13922 km.	8923 km.	64
Railway Electrification	2334 km.	1467 km.	63
Diesel Locomotives (Nos.)	785	462	54
Electric Locomotives (Nos.)	851	511	60
Coaches	10909	6370	58
Wagons	136000	69562	51

The physical targets set for the IX Five Year and the expected achievement by the end of the plan are given below:-

Area of Activity	Target for IX Plan	Expected to be achieved During the IX Plan	
Construction			
New Lines	819 kms.	702 kms.	(85%)
Gauge Conversion	3710 kms.	2073 kms.	(56%)
Doubling	2500 kms.	1140 kms.	(46%)
Track Renewals*	13922 kms.	12194 kms.	(88%)
Railway Electrification	2334 kms.	2277 kms.	(98%)
Procurement			
Diesel Locomotives	785	652	(83%)
Electric Locomotives	851	721	(85%)
Coaches	10909	10201	(94%)
Wagons	136000	**115562**	**(84%)**

***Primary Track Renewals**

83. Against a planned investment outlay target of Rs.45413 crores the actual outlay during the IX Plan is expected to be Rs. 47245 crores at current prices (based on actuals for first 3 years, Revised Estimates for 2000-01 and Budget Estimates for 2001-02).

84. When asked why the Ministry could not achieve the physical targets commensurate with financial targets, the Ministry of Railways stated in a written note that the physical targets achieved regarding execution of works and procurement of Rolling Stock have been generally commensurate with the financial allocations. However, there may not always be a direct correlation between completion of works in a particular year and the funds allocated in the year. For example, in new line works major proportion of the expenditure is incurred on land acquisition and formations which are taken up in the initial years of the project. The expenditure in the last year may only be on the residual works requiring relatively lesser outlay. The areas where desired pace of progress did not occur owing to inadequate financial outlay, the Ministry explained that the doubling are the areas where desired pace of progress did not occur owing to inadequate financial allocations. However, the allocation for doubling has been increased in the last two years of the Plan. The Ministry further stressed that there is still a very significant backlog of arrears in track renewals in addition to the IX Plan short fall where the target itself had to be scaled down in view of the total initial plan size being reduced from Rs. 65,000 crores (requested by Railways) to Rs. 45,413 crores (96-97 prices).

ANNUAL PLAN 2000-01

85. The Annual Plan 2000-01 (RE) has been re-assessed at Rs. 10002 crore from Rs. 11000 crore at the fag end of the year**.** The major constraints before the Ministry of Railways for re-assessing the Annual Plan have been anticipated shortfall in the Traffic Receipts for the current year mainly on account of revenues from non traditional sources not materializing as budgeted, non clearance of traffic outstandings as anticipated and enhanced financial assistance having to be given to the Konkan Railway Corporation. The gross traffic receipts had, therefore, to be scaled down by Rs. 1062 crore at the Revised Estimates, 2000-01 stage. This shortfall in earnings had to be absorbed in the current year mainly by regulating the Plan expenditure (which was scaled down by Rs. 998 crore) and in part through reduction in working expenses.

86. The planhead wise allocations in the Budget Estimates, 2000-01 and Revised Estimates, 2000-01 are as under:

PLAN HEADS	BUDGET ESTIMATES 2000-01	REVISED ESTIMATES 2000-01	VARIATION (RE/BE)
(1)	(2)	(3)	(4)
New Lines etc.	825.00	702.33	-122.67
Gauge Conversion	600.00	492.44	-107.56
Doubling	655.00	568.13	-86.87
Traffic Facilities	225.00	171.98	-53.02
Computerisation	70.00	69.22	-0.78
Railway Research	10.00	8.70	-1.30
Rolling Stock	3900.00	3942.05	42.05
Road Safety – Level Crossings	50.00	58.09	8.09
Road Safety-Road Over/Under Bridges	250.00	91.57	-158.43
Track Renewals	2000.00	1633.14	-366.86
Bridge Works	75.00	61.60	-13.41
Signalling & Telecommunication Works	425.00	340.31	-84.69
Electrification Projects	325.00	301.23	-23.77
Other Elect. Works	130.00	107.86	-22.14
Machinery & Plant	100.00	79.49	-20.51
Workshops	220.00	164.24	-55.76
Staff Quarters	60.00	58.22	-1.78

Staff Amenities	60.00	44.91	-15.09
Pass. & Other Amenities	200.00	143.56	-56.44
Investment In Public Undertakings	38.25	36.09	-2.16
Other Specified Works	45.00	37.69	-7.31
M.T.P.	400.00	337.43	-62.57
Inventories	336.75	551.74	214.99
TOTAL PLANT OUTLAY	**11000.00**	**10002.00**	**-998.00**

87. The overall reduction has tended to retard the progress of the on-going works for a brief period. The aforesaid outlays were utilised for achievement of the following physical targets:-

		Target 2000-01	Achievements (upto 12/2000)
1.	**Electrification**	460 (Route Kms.)	60 (Energised) (150 (ready for energisation)
2.	**Track Renewals:**		
	(i) Primary	2650	1663
	(ii) Secondary	600	605
		(Track Kms.)	
3.	**Construction of New Lines**	217	157
		(Route Kms.)	
4.	**Gauge Conversion**	385 kms.	92
5.	**Rolling Stock:**		
	(i) Locomotives:		
	Diesel	100	83
	Electric	120	82
	(ii) Coaches:		
	EMUs/Metro	111	52
	Others	2079	1564
	(iii) Wagons (in terms of 4-wheelers)	20705	11887.5
	(iv) Rail Buses	10	2

ANNUAL PLAN 2001-02

88. The Ministry of Railways proposed an Annual Plan outlay of Rs.15,014 crore to the Planning Commission with the break up of funding as given below:-

1.	Internal Resources		
	a)	Internal Generation	Rs. 299 crore
	b)	Accrual from Central Road Fund	Rs. 300 crore
	c)	Deferment of Dividend Liability	Rs. 2, 375 crore
	d)	Grant for Safety Works	Rs. 5, 000 crore
2.	Market Borrowings		Rs. 3, 500 crore
3.	Capital Support from exchequer		Rs. 3, 540 crore

			Rs. 15, 014
			-------------------

89. The Planning Commission after discussion recommended an Annual Plan outlay for 2001-02 of Rs. 10, 340 crore as indicated below:

i)	Budgetary Support	Rs. 3, 840 crore*
ii)	Internal Generation & Extra Budgetary Resources	Rs. 6, 500 crore
		--------------------
		Rs. 10, 340 crore

(* includes Rs. 300 crores Accrual from Central Road Fund)

90. In the Ministry of Railways' proposals to the Planning Commission, Rs. 5,000 crore had been included for Safety Works on the basis of the recommendations of the Railways Safety Review Committee which has recommended urgent investment of Rs. 15,000 crore in safety related works on Indian Railways. The Planning Commission, while appreciating the concerns of the Railways for the need for investment in capacity augmentation works as well as safety, was not able to recommend allocation of additional resources to the Railways' Annual Plan in view of various financial constraints in the Central Government Budget. After a discussion with Ministry of Finance, the final Plan size proposed in the Budget 2001-02 is Rs.11, 090 crore.

91. The Annual Plan 2001-02 has been fixed at Rs. 11090 crore. This is to be funded as under:-

Capital support from General Exchequer	Rs. 3540 crore
Market Borrowings	Rs. 4000 crore
Internal Generation and contribution from Non-traditional sources of Revenues	Rs. 3550 crore
Total	11090

The Annual Plan 2001-02 constitutes an increase of about 11% over the revised plan outlay of the year 2000-01.

92. This outlay would be utilised for achieving the following financial and physical targets under some of the important Plan Heads during the year 2001-02:-

a. Financial Targets

Plan Head	(Rs. In crores)
New Lines	1015
Gauge Conversion	665
Doubling	672
Computerisation	70
Rolling Stock	3850
Track Renewals	2050
Road Safety Works- Level Crossings	50
Road Safety Works – ROB/RUB	250
Signalling & Telecom Works	425
Electrification Projects	225
Workshops including PUs	220
Staff Quarters	65
Amenities for Staff	65
Passenger and other Railway Users' Amenities	200
Metropolitan Transport Projects	378

b. Physical Targets

Plan Head	
Electrification	350 route Kms.
Track Renewals:	
(i) Primary	2750 track Kms.
(ii) Secondary	650 track kms.
Construction of New Lines	82 route Kms.
Gauge Conversion	160 Kms.

Rolling Stock:

(i)	Locomotives:-	
	Diesel	90
	Electric	90
(ii)	Coaches:	
	EMUs/Metro	294
	Others	1907
(iii)	Wagons (in terms of 4-wheelers)	23,000
(iv)	Cranes	02

93. The major thrust in the plan is on New Lines, Track Renewals, Doubling and augmentation of Traffic Facilities, Signal and Telecommunication besides replacement and acquisition of Rolling Stock and Passenger Amenities. Two planheads are also operated for conversion of unmanned level crossings to manned crossings and construction of road over bridges/under bridges. Funding of these planheads is through newly setup safety funds.

94. The Minister of Railways in her Budget speech informed the House that a large shelf of New Lines projects, Gauge Conversion projects and Doubling projects costing about Rs. 20,000 crore, Rs. 9,100 crore, and Rs.3,300 crore respectively is awaiting completion and any addition to this shelf of On-going projects would aggravate the problem. Therefore, a bold decision has been taken not to include any New Line project in the current Budget. Nevertheless, four On-going New Line projects, seven On-going Gauge Conversion projects and two On-going Doubling projects have been extended in the current Budget i.e. 2001-02. The following Table shows the revised update cost and the rate of return in respect of each of there projects:-

SL. NO.	PROJECTS	UPDATE COST (Rs. in Crores)	ROR as worked out initially	Extension of projects proposed in Budget 2001-02	KM
1.	Eklakhi-Balurghat new line	226.2	Negative	Gazol to Itahar	31
2.	Bankura Damodar Valley Railway line gauge convesion project.	266.2	Negative	New line from Bowai-Chandi to Khana	22
3.	Kalinarayanpur to Krishna-nagar DL	102.5	Negative	New line from Krishna-nagar to Chartala	13
4.	Sultanganj-Devgarh new line	312	Negative	NL from Banka to Barahat	13.4
5.	Mansi-Saharsa GC	89.49	2.6	From Saharsa to Dauram-Madhepur	21
6.	Fatua-Islampur-Dhaniawan-	131.4	Negative	New line from Bihar	19

	Bhiharsharif new railway line			sharief to Barbigha	
7.	Rajkot-Veraval GC Project	291.6	11.37	GC from Wansjalia to Jetalsar	90
8.	Rewari-Sadulpur GC works	282.8	8.5	GC of Sadulpur-Hisar	70
9.	Kanpur-Mathura and Kasganj - Bareilly GC work	609	13.38	GC from Bareilly to Lalkuan	87
10.	Lumding-Badarpur-Silchar GC work	696	Negative	GC from Badarpur to Baraigram	44
11.	Ajmer-Chittaurgarh-Udaipur GC work	294.7	4.63	GC from Badarpur to Baraigram	11
12.	Kalinarayanpur to Krishna-nagar DL	102.5	Negative	Gauge conversion from Krishnanagar-Shantipur	12
13.	Sultanganj-Deogher New line project	312	Negative	New line from Banka-Bhitiah Road	23

95. According to the Ministry of Railways the additional cost involved by extending all the 13 projects is estimated to be Rs. 730 crore. **This is based on survey reports wherever available and balance on the basis of rough assessment of cost of similar projects**. They further stated that cost and time over run can only be calculated in those cases where the time schedule for completion of the project with matching availability of resources can be planned and assured at the time of taking up of the project. In case of Railway projects, the plan size is determined annually and as such, no estimated cost and time over run is feasible. No target dates for completion of these projects have been fixed as projects will be progressed and completed as per availability of resources.

96. Asked whether there are any existing guidelines for extending a project which is already going on and sanctioned years before, the Ministry of Railways in their written reply submitted that there are no guidelines in this regard approved by the Cabinet Committee on Economic Affairs. **The extension of ongoing projects has been included in the budget as a part of originally sanctioned projects with the approval of Minister of Railways.**

97. The sources of funding for each of the important Planhead mentioned in the Performance Budget 2001-02 is as under:-

(Rupees in crore)

	CAPITAL	DRF	DF	OLWR	MARKET BORROWINGS
New Lines	814		01		200
Gauge Conversion	500	10	01		214
Doubling	602	2.3	01		68
Computerisation	34	18	15	03	
Rolling Stock	240	402	01		3370

Track Renewals		2680			
Road Safety Works (L/C)				50	
Road Safety Works (ROB/RUB)				250	
Signalling & Telecom Works	05	179	197	05	48
Electrification Projects	221.0	02	02		
Workshops incldg. Pus	130	20.5	42.2	4.3	24
Staff Quarters	35	30.2			
Amenities for staff	40	10	14	01	

NEW LINES

98. Budgetary outlay for New Lines (construction) was estimated to be Rs. 825 crore for the year 2000-01, which was, later on at the fag end of the year revised to Rs. 702 crore. For the year 2001-02 the budgetary estimate for the same Plan Head has been kept at Rs. 1015 crore, which is 45% above the revised estimate for the year 2000-01. Against the target of 217 route kms. fixed during the last year, only 157 route kms. were achieved. Presenting the Railway Budget for 2001-02, the Minister of Railways informed the House that they have taken a bold decision of not including any new line project in the next years Budget i.e. 2001-02. Nevertheless four On-going New Line projects have been extended.

99. While explaining the constraints for not achieving the financial as-well-as the physical targets the Ministry of Railways stated that the budget allotment for New Lines during 2000-01 was originally provided as Rs. 825 crore. However, due to lower generation of internal resources, a cut was exercised on allocation to all new line projects and the outlay was revised to Rs. 702 crores. The revised outlay is expected to be utilised fully. They further stated that there is a large shelf of New Line projects costing about Rs. 20,000 crores, which have been duly sanctioned by the Parliament and are awaiting completion.

100. Considering the need to expedite the completion of these ongoing New Lines projects, the outlay during 2001-02 is proposed to be increased by 45% over the revised estimates of the current year i.e. 2000-01. This will result in speeding up pending New Line works. Regarding ideal funding for ongoing new line projects, the Ministry of Railways stated that the present level of funding is not ideal to suit timely completion of new line projects. If required funding is available, the optimal time for execution of New Line projects would be 5 to 7 years. The New Line projects are funded through capital support from the general exchequer. Though budgetary support has increased slightly over the last year it is not sufficient to meet the requirement of funds for various plan heads. This restricts the amount which can be provided for New Line works. If all the ongoing works are to be completed within optimal time frame, requirement of funds would be about Rs. 3,000 crore (not considering inflation). The priority of new line projects is fixed not on yearly basis. The prioritization of the projects was approved by the Government in November, 1998.

GAUGE CONVERSION

101. Budgetary outlays for Gauge Conversion were estimated Rs. 600 crore during the year 2000-01 and at the revised stage only Rs. 492 crore have been estimated to be incurred. Against this revised estimate i.e. Rs. 492 crore, the Budgetary estimates for gauge conversion projects in the current Budget have been earmarked at Rs. 665 crore.

102. When asked about the reasons which compelled the Ministry of Railways to go slow on gauge conversion projects, the Ministry of Railways in their written note stated:-

> "The budget allotment for Gauge Conversion plan head during 2000-01 was originally provided for Rs. 600 crore. However due to less generation of internal resources, a budgetary cut of the order of 15% was exercised on this plan head and the outlay was revised to Rs. 492 crores. The revised funds are expected to be utilized fully."

103. Reacting to the query about the investment year-wise to clear the pending projects within 10 years they stated the ideal level of year wise investment would be approximately Rs. 1000 crore to clear all the ongoing and pending gauge conversion projects within 10 years. They also informed the Committee that the total cost of extensions of gauge conversion projects included in the current budget is to the tune of Rs. 346 crore.

To another query about the prioritisation the Ministry of Railways stated as under:-

> "The priority of gauge conversion projects has been fixed by the Government in 1998 and the priorities are not being fixed yearwise."

104. In view of the less achievements in respect of physical targets for gauge conversion fixed for the last year, the Ministry in a written note submitted the following section targeted for completion in 2000-01 could not be completed for reasons shown against each.

1.	**Mudkhed-Adilabad**	:	Due to delay in arrangement of funds by the BOLT agency.
2.	**Amguri-Tuli**	:	Due to stay order by court which has now been vacated and work would be completed in financial year 2001-02.
3.	**Makum-Dangri**	:	This could not be completed due to long bandhs and law and order problems. The work is now being progressed and will be completed this year.
4.	**Nonera-Bhind of Guna-** Etawah	:	Nonera-Seoni section have been completed. The completion of Seoni-Bhind has been delayed due to failure of one of the earthwork contractor.

5.	**Laxmantirtha Bridge on** Mysore-Hassan line	:	Due to technical problem in pile foundation for one of the piers and one abutment, the span had to be modified. The work is now in full swing and is expected to be completed by Oct, 2001.
6.	**Wankaner-Morbi**	:	Linking of the line has been completed. Section will be opened shortly.
7.	**Dharangdhara-Kuda**	:	This work is being carried out on cost sharing basis being shared by Ministry of Railways, Ministry of Industry and Government of Gujarat. Work held up due to money not being deposited by co-sharer of the project, which has since been deposited and now work will be completed during 2001-02."

DOUBLING

105. Rs. 655 crore were allocated in the Budget 2000-01 for doubling and the same were revised to Rs. 568 crore at the fag end of the year. Against this revised estimates, the Ministry have allocated Rs. 672 crore (BE) under the same Plan Head for doubling the railway lines during the current year (2001-02).

106. Explaining the reasons for slow down of progress in doubling works the Ministry of Railways submitted:

(a) that the budget allotment for Doubling plan head during 2000-01 was originally provided Rs. 655 crore. However due to less generation of internal resources, a budgetary cut of the order of 15% was exercised on this plan head and the outlay was revised to Rs. 568 crores. The revised funds are expected to be utilized fully.

(b) Total kilometers of railway lines double/likely to be doubled in 2000-01 is 200 km. and during the next financial year a target of 300 km. has been fixed. During the first three years of the Ninth Plan only 640 km. lines have been doubled which is 20% of the total target of 2500 km. fixed for the entire Plan.

(c) Doubling projects should normally take 3-4 years for its completion. The throw forward of ongoing doubling projects as on date is about Rs. 4000 crore. Considering the completion period of 3-4 years, the ideal outlay on yearly basis for doubling projects is of the order of Rs. 1000 crore."

ROLLING STOCK

107. Rs. 3900 crore were allocated under the Plan Head-Rolling Stock at the budgetary stage during the year 2000-01, and the same were revised to Rs. 3942 crore at the revised stage. Against this revised estimates, the Ministry of Railways have allocated Rs. 3850 crore in the current year's Budget.

108. During the financial year 2000-01, the physical procurement of Rolling Stock against target fixed at BE and RE stages are as under:-

ROLLING STOCK	TARGET (BE)	TARGET (RE)	ALLOCATIONS BE (NET) (Rs. in crores)	ALLOCATIONS RE (NET) (Rs. in crore)
Locomotives	187	195	799	937
Coaches (in VUs)	2021	2283	1286	1394
Wagons (in FWUs)	23000	20705	1071	982
Others		-	744	629
TOTAL			3900	3942

109. Responding to the concern of achieving less physical as well as financial targets particularly in the procurement of wagons, Ministry of Railways in a written note submitted that the target in all categories except in wagons are expected to be achieved. The allocations for locos and coaches were increased at the Revised Estimates stage on account of enhancement in their procurement targets and also due to marginal adjustment effected in the transfer prices by the Production Units. In case of wagons, the physical targets will not be achieved owing to a shortfall in compliance by the Public/Private sector units vis-à-vis orders placed on them. The actual expenditure would therefore be proportionately less. Similarly under Others, reduction in allocation has been on account of reduced Track Machine procurement. In all cases the physical procurement would be commensurate with the actual expenditure. Also the overall expenditure would be within the Revised Estimates allocation.

110. The perspective planning for acquisition and management of rolling stock is need based and primarily derived from the following three indices:

(i) The anticipated increase in both passenger and freight traffic. (additional traffic to be carried)

(ii) The expected utilisation norm for that particular type of rolling stock based on past trends.

(iii) The number of overaged rolling stock in each category which requires to be replaced.

This is an exercise which is done on an annual basis for assessing the next three years' requirements.

111. When asked about the export potential of the rolling stock manufactured by the Units of the Indian Railway, the Ministry of Railways in a written note stated that the following is the rolling stock exported by the Ministry of Railways:-

(i) 49 diesel locomotives built by DLW have been exported to Sri Lanka, Bangladesh, Vietnam, Malaysia & Tanzania.

(ii) 425 coaches/bogies (worth approx. Rs. 68.2664 crores) manufactured by ICF have been exported to Thailand, Burma, Taiwan, Zambia, Philippines, Tanzania, Uganda, Bangladesh, Vietnam, Nigeria &Mozambique.

(iii) RCF have recently bagged an order for supply of 72 bogies to Vietnam National Railways and DLW have recently bagged a repeat order for supply of 2 Diesel Locomotives (worth approx. Rs.7.25 crores) to Sri Lanka and 10 Diesel Locomotives (Worth approx. Rs.38 crores) to Bangladesh.

(iv) DCW, Patiala, has exported Diesel Loco Spares worth over Rs. 1 crore each 1996-97, 1997-98 and 1998-99. In 1999-2000 they exported spares worth Rs. 46.94 lacs and in the current year (2000-01) upto December, they have exported spares worth Rs.73.15 lacs.

(v) Exploratory dialogue has been started with Switzerland, Turkey and South Africa who have shown interest in purchase of Electric Locos from India.

(vi) Indian Railways have also succeeded in exporting metre gauge Diesel locomotives on a lease basis to countries like Tanzania, Burma, Malaysia etc.

112. Apprising the Committee about the export potential of rolling stock including locomotives, wagons, passenger coaches etc. manufactured by the Indian Railways in the world market, the Ministry of Railways stated that locomotives and passenger coaches are manufactured in the Production Units of Ministry of Railways, while the wagons are primarily manufactured in PSUs/Private Sectors. Ministry of Railways, Railway Board has identified export of rolling stock as one of the thrust areas. For this purpose, RITES and IRCON (Public Sector Undertakings under the Ministry of Railways) have been nominated as the nodal agency for handling export enquiries expeditiously. They have been allocated specific countries for export of rolling stock to avoid duplication of efforts.

113. The Ministry of Railways further added that to be competitive in the Global Market, the Production Units have been empowered to adopt flexible marginal pricing approach taking into consideration the global market forces. Based on the feed back received from RITES/IRCON, the PUs have been advised to develop new designs of rolling stock and customize the existing design to meet the specific requirement of the customers.

SAFETY

114. Allocations for safety works are made through various planheads namely Signal & Telecommunication, Track Renewal and Bridge Works. During 2000-01, two new safety related plan heads viz. Road Safety Works (Level crossings) and Road Safety Works (Road Over/Under Bridges) started operating. These two planheads are financed through Safety Fund. The Minister of Railways in her Budget Speech informed the House that as per recommendations of Justice Khanna Committee there is a need for a grant of Rs. 15,000 crore to be made available to Railways over a period of 5 to 7 years for rehabilitation of railway assets for safety. The Minister further stressed that as resources of this magnitude cannot be expected to be internally generated by the Railways, this has, however, not materialised. She informed the House that nevertheless an allocation exceeding Rs. 3,000 crore on Safety Heads have been provided and she made it clear that this allocation will only help meeting the current arisings and not the arrears for which additional funds would be required.

(a) Signalling and Telcom Works

115. Signalling and Telecom Works were allocated Rs. 425 crore in the Budget 2000-01, which were later on revised to Rs. 340 crore at revised stage. Against this revised outlay i.e. Rs. 340 crore, the Ministry of Railways have made a provision of Rs. 425 crore in the current year's Budget (2001-2002).

116. Explaining the constraints which forced the Ministry to revise the Budgetary Estimates of Rs.425 crore to Rs.340 crore at the revised stage the Ministry of Railways in their note stated that impact of recession on earnings coupled with soaring increase in working expenses as a result of implementation of Fifth Pay Commission has forced downward revision of Budgetary Estimate of the aforesaid Planhead at revised stage of estimates. As regards one time investment under this planhead to ensure fool-proof and accurate results from signalling and telecommunication, the Ministry suggested that as per ten years safety plan for S&T works, one time investment of about Rs. 7600 crores is expected to ensure enhanced safety in train operations.

(b) Track Renewal

117. Rs. 2000 crore were earmarked to undertake the job of 'Track Renewal' in the Railway Budget 2000-01, which were revised to Rs. 1633 crore at the Revised stage. Against this Revised estimate, the Ministry of Railways have allocated Rs. 2050 crore for the financial year 2001-2002 for taking up the track renewal work. Against the fixed physical targets of 2650 (track kms.) of primary track and 600 (track kms.) of secondary track, only 1663 (track kms.) of primary and 605 (track kms.) of secondary track has been achieved respectively.

The Ministry of Railways stated as under:-

"the arrears of track renewal as on 1.4.2000 was 11,928 km. on Broad Gauge and 4700 km. on Metre Gauge and Narrow Gauge. Presently, Railway has been able to provide funds for track renewals generally adequate to take care of current arising. For liquidating the backlog, extra funds are needed, which are at present, not available."

118. As regards track renewal policy and its effect on the health of the railway track, the Ministry submitted :-

"That Railway in the last couple of decades has been following a policy of liquidating the arisals of track renewal and upgrading the track structure. During the IXth Plan, the Railways' objective was to wipe out the arrears as well as current arisings on A, B and C routes and to reduce the arrears on D & E routes. To achieve this objective, railway had projected a target of 19250 km. of track at an estimated cost of Rs. 13200 crore. This target was however reduced to 13922 km. by Planning Commission in consideration of the resources available. Though the railway has not succeeded in completely liquidating over-due track renewals, the general health of track has improved and the railway is carrying higher freight & passenger traffic at higher speeds with greater safety."

119. The Ministry further submitted that the present level of allocation which is Rs. 1500 crore (Net) for 1999-2000 and Rs. 1633 (net, revised) for 2000-01 is adequate to cater to the track renewals of annual arising. For liquidating the arrears of renewal which are about 11,928 km. on Broad Gauge and 4700 km. on Metre Gague and Narrow Gauge, additional funds would need to be allocated in the years to come. The total requirement of funds for clearing backlog of track renewal is about Rs. 9,300 crore. The Railway Safety Review Commission, in their report (Part-1) have recommended to wipe out the arrears in the next 7 years. For this, an additional allotment of Rs. 1330 crore annually on an average would be required. Thus, the year-wise allocation may have to be about Rs. 3000 crore (Net) per year for the next seven years or about Rs. 2600 crore (Net) annually for the next ten years. In connection with the comparative derailments due to overaged track and other track, the Ministry furnished that the derailment on overaged track are about 4 times the derailments on the other track, as per statistics of derailments available.

120. Explaining the perspective planning of the Railways towards the track renewal aspect, the Ministry added:-

"During the IXth Plan, the Railways objective was to wipe out the arrears as well as current arising on A,B and C routes and to reduce the arrears on D & E routes. To achieve this objective, railway had projected to renew 19250 km. of track at an estimated cost of Rs. 13200 crore. Planning

Commission, however, reduced the target to 13922 km. The Xth Plan of Indian Railway is under formulation. Railways would however like to target wiping out of arrears of track renewal in Xth Plan."

121. When asked about their failure to achieve their financial as well as physical targets fixed for the year 2000-01, the Ministry stated as under:-

"For the year 2000-01, the allotment of Rs. 2000 crore (net) was made in the budget for which a physical target of 2650 km. of primary and 600 km. of secondary track renewal work was fixed. The allotment has been revised at the revised estimates stage to Rs. 1633 crore (net) due to shortfall in resources and resultant cut in plan expenditure. Upto the end of February, 2001, 2159 km. of primary and 770 km. of secondary track renewal have been completed. While the target of secondary renewal has been exceeded, there will be a shortfall in primary renewal of about 200 km. and other special works related to track, on account of reduced availability of funds."

(c) Road Over/Under Bridges and Unmanned Level Crossings

122. Two new Plan Heads for (i) conversion of unmanned level crossings to manned crossings and (ii) construction of Road Over/Under Bridges were created in the last year Budget. The Ministry of Railways allocated Rs. 50 crore under Plan Head – 'Road Safety Works – Level Crossings' and Rs. 250 crore for the Plan Head – 'Road Safety Works –ROB/RUB' during the last years Budget i.e. Railway Budget 2000-01. During the current Budget also, Rs. 50 crore and Rs. 250 crore have again been allocated respectively for the same Plan Heads from Central Road Fund. In recognition of the a need for road infrastructure sector the Government has provided for levy of additional excise duty and additional custom duty of Rs.1 per liter of petrol in 1998-99 and subsequently in 1999-2000, and additional duty of Rs.1 per liter on imported and domestic high speed diesel was also levied. However, out of the total revenue from this fund the Railways have been given 12.5% of the 50% of total cess on HSD and entire cess collected on petrol for the purpose of construction of ROB/RUB and safety works at Unmanned Railway Crossings.

123. Regarding physical performance of ROB/RUB and Unmanned Level Crossings, the Ministry of Railways stated that 143 Unmanned Level Crossings have been converted into manned level crossings under the Plan Head 'Road Safety – Manning of Unmanned Level Crossings' during 2000-2001 (up to 28.02.2001) and 21 Road over bridges/Road under bridges have been completed under the plan-head 'Road Safety – Conversion of Level Crossing into Road over/under bridges' during the year 2000-01.

124. To deal with the safety aspects relating to unmanned crossings and to make the proposal of manning the unmanned crossings under the Member of Parliament Local Area Development Scheme (MPLADS), the Ministry informed the Committee that for manning of unmanned level crossings, priority has been fixed by the Ministry of Railways keeping in view the traffic density at level crossings, visibility to road users and whether motor vehicles ply or not. On this basis, Railways have decided to man 4449 unmanned level crossings on B.G.

system during the five years i.e. from 1999-2000 to 2003-2004 depending upon the availability of funds. Out of 4449, 686 and 787 unmanned level crossings were sanctioned for manning during 1999-2000 and 2000-2001 respectively and works are in progress. Manning of 337 Unmanned level crossings have also been proposed for sanction in Budget 2001-2002. Proposals for manning of 44 unmanned level crossings under MPLAD Scheme have been received from 35 Hon'ble Members of Parliament. Funds from MPLADs have been fully/partially released till now for manning of 13 level crossings only. Out of 13 level crossings, the works for manning of 2 level crossings have been completed and on 11 unmanned level crossings is in progress.

125. The Ministry further informed that to make the Scheme of manning of unmanned level crossing from funds of MPLADS more attractive, they have decided to man equal number of level crossings at its cost as being manned through MPLADS Fund as per the recommendation of the Hon'ble MPs. This means if Hon'ble MP sponsors one level crossing for manning through MPLADS, Railway will man an additional level crossing at its cost at the recommendation of the concerned MP.

126. The break-up details of Rs. 15,000 crore as recommended by the Railway Safety Review Committee headed by Justice H.R. Khanna for rehabilitation of overaged assets and for providing adequate technology back-up to operational staff connected with train running are as under:-

				(Rs. in crore)
(i)	**Track**	-	BG	7969
		-	MG	1499
(ii)	**Bridges**			655
(iii)	**Signal**	-	BG	780
		-	MG	435
(iv)	**Coaches**	-	BG	661
		-	MG	435
(v)	**Wagons (BG)**			2765
	Total:			**15054**

.

127. Explaining the constraints for not providing the aforesaid allocation as recommended by the Justice Khanna, the Ministry of Railways apprised the Committee that they have requested the Finance Ministry for giving the grant of Rs. 15,000 crore as recommended by the Khanna Committee. However, no such grant has been received as yet. Although, Indian Railways have not received any specific grants on the basis of recommendations of Railway Safety Review Committee, the Ministry stated to have suitably enhanced the outlay of safety related items in the budget. Nevertheless, despite above constraints, railways are progressively implementing these recommendations within availability of existing resources.

128. The Ministry also informed the Committee that Justice Khanna Committee in Part-I of their Report has made 150 recommendations on different aspects of railway working. Out of these, 103 recommendations were 'accepted', 28 were 'partially accepted' and remaining 19 were 'Not Accepted'. Out of 131 accepted/partially accepted recommendations, 21 recommendations have already been implemented and remaining are under process of implementation at different stages. They added that implementation of many of these recommendations depend upon availability of funds or in some cases on success of trials.

129. Regarding the recommendation made in Part-II of the Report for making the Railway Safety Commission's Report public, the Ministry of Railways stated that the Commission of Railway Safety is an organization under the Ministry of Civil Aviation and it functions independently of the Ministry of Railways. It is for the Commission to decide whether an inquiry report is to be made public. For each inquiry report the Commission decides on a case to case basis whether to make the report public or not. While some reports are made public by the Commission a majority of them are not made public. Moreover, even in those cases where inquiry reports are made public it is done after all court cases connected with either prosecution of railway servants or discipline and appeal cases have been decided by courts.

130. The comparative position of train accidents during the last five years is as under:-

YEAR	ACCIDENT DUE TO DERAILMENTS	ACCIDENT DUE TO LEVEL CROSSING	ACCIDENT DUE TO FIRE IN TRAINS
1995-96	**296**	**68**	**4**
1996-97	**282**	**65**	**4**
1997-98	**285**	**66**	**6**
1998-99	**292**	**67**	**5**
1999-00	**325**	**93**	**21**

131. To the concern shown by the Committee about present level of accidents due to derailments, railway crossings and fire in trains, the Ministry of Railways submitted that the number of accidents under each of the three heads listed above have remained more or less at the same level during the four year period from 1995-

1999. However, there has been an increase in accidents under each of the three heads listed above mainly during 1999-2000. Increase in derailments has been primarily on account of their increase on Northeast Frontier Railway where number of derailments have gone up from an average of around 22 during the first four years to around 76 during 1999-2000. Increase in level crossing accidents has been primarily on account of increase in unmanned level crossing accidents where number of such accidents have gone up from an average of around 49 during the first four years to around 67 during 1999-2000. For unmanned level crossing accidents it is road users who are primarily responsible. Increase in accidents due to fires in trains has been primarily on account of 10 cases of carrying of inflammable articles by passengers and miscreant activities also 6 cases of fires in locomotives.

ELECTRIFICATION

132. Against a budgetary allocation of Rs.325 crore for electrification of railway track during the year 2000-01, the revised estimates have been assessed at Rs. 301 crore at the fag end of the year. In the current year's Budget i.e. (2001-02), the Ministry of Railways have earmarked Rs. 225 crore for carrying out electrification works.

133. When asked about the reasons for reducing budgetary allocation of Rs. 325 crore to Rs.301 crore, the Ministry of Railways in their written note stated that the reduction of funds allotted was due to financial constraints being faced by Railways. The Ministry also stated that the electrification position in terms of financial as well as physical throw forward is Rs. 1390 crore and 2859 RKMs. The Ministry further informed that Rate of Return and Operational requirement determine the priority for electrification projects.

134. Regarding the ideal requirement of funds for electrification and the targets fixed, the Ministry informed that after the oil crisis of 1970s, Cabinet decided in Dec. 1980 to accelerate the pace of electrification and do @ 1000 RKM per year because Railways only is capable of using any form of indigenously available energy i.e. hydel, thermal, nuclear and other modes of transport sector have no choice except to use imported diesel oil involving foreign exchange. For electrifying 1000 RKMs per year the ideal requirements of the funds would be of the order of Rs. 700 Crores per year. For IX Plan period commencing from 1997-98 to 2001-02, a target of 2300 RKMs was fixed for electrification. So far, 1616 RKMs have been energised and the balance 684 RKMs will be electrified before the Plan closes subject to availability of sufficient funds.

PRIORITY

135. The priority as approved by the Cabinet Committee on Economic Affairs on 9.11.1998 is being maintained. Priorities of all ongoing projects which were on the shelf at that time have been approved by the Cabinet Committee on Economic Affairs and these are being observed. During the examination of DFG 2000-2001. The Ministry of Railways in had submitted before the Committee:-

> "That priorities of new projects have to be fixed each year and also the priorities of projects getting completed or nearing completion would also need revision. This exercise would be taken up at the time of formulation of the 10th plan."

136. The status of projects awaiting clearance is given as under:-

(A) NEW LINE

YEAR OF INLCLUSION IN THE BUDGET	RAILWAY	PROJECT	REMARKS
1994-95	SR	Kuttipuram - Guruvayavur New Line Project	Survey Report has been sent to Planning for appraisal.
1995-96	SCR	Kakindada – Kotapalli Restoration	CCEA note approved by MR. Being submitted to Cabinet Sectt. For approval.
1997-98	NR	Etawah-Mainpuru	CCEA note approved by MR. Being submitted to Cabinet Sectt. For approval.
1997-98	SR	Kottayam-Erumeli	Draft CCEA note under approval of Board and MR.
1997-98	NR	Aohar-Fazilka	CCEA note is being submitted to Cabinet Sectt. For approval.
1997-98	ER	Ganga bridge at Munger	Survey is in progress.
1997-98	ER	Ganga Bridge at Patna	Final location survey report is awaited from the Railway.
1997-98	NFR	Bogibeel Bridge	Final location survey report received from the Railway on 1.8.00 and under examination in the Board's Office.
1997-98	NER	Duraunda-Maharajganj	They have been approached to reconsider vide MSR's letter dtd. 5.10.2000.
1999-2000	SCR	Kakinada-Pithapuram	Planning Commission have not agreed to the proposal.

(B) GAUGE CONVERSION

YEAR OF INLCLUSION IN THE BUDGET	RAILWAY	PROJECT	REMARKS
1997-98	NER	Gonda-Bahraich	CCEA note being sent to Cabinet Sectt. after compling with observations
1997-98	NR	Rewari-Sadalpur	CCEA note approved by MR. Being submitted to Cabinet Sectt. For approval.
1997-98	SCR	Dharmavaram-Pakala	CCEA note is being sent to Cabinet Sectt. For approval.
1997-98	NR	Sarupsar-Ganganagar Canal Loop Ph-I	Railway has been asked to update cost and ROR.
1997-98	SER	Naupada-Gunupur	Railway has been asked to submit latest Cost and ROR of the project.
1997-98	NER	Samastipur-Khagaria	CCEA note is being submitted to Cabinet Sectt. for approval.
1997-98	NER	Gonda-Gorakhpur loop	Recast Survey Report to be sent to the Planning Commission as desired in the EBR meeting on 13.10.2000.
1997-98	SR	Mysore-Chamrajnagar	Draft CCEA sent to other Ministries for comments. Reply awaited from Ministry of Programme implementation and Planning Commission.
1997-98	NFR	Katihar-Jogbanj	CCEA sent to Cabinet Sectt. has been returned with certain observations which are being complied with.
1998-99	SR	Thanjavur-Villupuram	Draft CCEA note under approval of Board and MR.
1999-2000	NER	Kaptanganj-Thawe-Siwan-Chappra	CCEA note sent to Cabinet Sectt. has been returned with certain observations which are being complied with.

(C) DOUBLING

YEAR OF INLCLUSION IN THE BUDGET	RAILWAY	PROJECT	REMARKS
1997-98	SR	Bangalore-Krishnarajpuram (White field) Quardrupling	CCEA note approved by MR. Being submitted to Cabinet Sectt. for approval.
1997-98	NR	Jalandhar-Jammu Tawi section	Recast report is under examination in the Boards office.
1999-2000	SCR	Rajatgarh to Barang	CCEA note is being sent to Cabinet Sectt. For approval.

(D) Railway Electrification

YEAR OF INLCLUSION IN THE BUDGET	RAILWAY	PROJECT	REMARKS
1999-2000	CORE	Mugalsarai-Jafarabad	As desired in the Expanded Board meeting held on 13-10-2000 figures for input costs and traffic projections to be reconciled with the planning commission and then put up to EBR thereafter.
1999-2000	CORE	Patna-Gaya	Planning Commission has not recommended the project. They have been requested to reconsider the same. Planning Commission has not agreed with the proposal.

137. When asked whether all the projects pending with various agencies like Planning Commission Expenditure Budget etc. have been got cleared, the Ministry of Railways replied in negative.

<u>METRO TRANSPORT PROJECT</u>

138. A budgetary provision of Rs. 400 crore made in the year 2000-01 was revised to Rs. 337 crore at the Revised stage for meeting the funding requirement of Metropolitan Transport Projects. During the current year i.e. 2001-02 Rs. 378 crore have been allocated for the purpose.

139. Explaining the criteria for funding MTP the Ministry of Railways, the later informed as under:-

> "The Railways are generally funding fully or partially, Transport Project for Commuter traffic where such projects involve either upgradation of the existing Railway systems or involve extension of existing system. However, decisions on individual projects have been taken from time to time depending upon requirement of state Governments, availability of resources etc. With the amendment made in allocation of Business Rules in 1986, the subject of Planning and co-ordination of Urban Transport, including the rail based ones, has been transferred to Ministry of Urban Development & Poverty Alleviation. Railways, therefore, now are not funding totally stand-alone urban transport projects such as the one being constructed by Delhi Metro Rail Corporation (DMRC)."

140. Asked whether their exist any approved guidelines to sanction a new portion of a Metropolitan Transport Project already sanctioned years before, the Ministry stated in writing that there are no guidelines in this regard approved by the Cabinet Committee on Economic Affairs. It further added the extension of that ongoing projects has been included in the budget as a part of originally sanctioned projects with the approval of Minister of Railways.

141. Explaining the aberration in the funding criteria, the Ministry of Railways stated that the Phase-I of the Chennai MRTS project from Chennai Beach to Luz (now-Tirumailai) has been executed by the Railways out of its own funds. The funding formula for Chennai MRTS (Pase-II) project from Tirumailai to Velacheri is that the State Government is sharing $2/3^{rd}$ cost of the project and $1/3^{rd}$ is provided by Railways. Gauge Conversion of Suburban system from Chennai Beach to Chengalpattu from MG to BG is being carried out with 50% of the cost being provided by State Government and 50% by Railways.

142. In Delhi, the Mass Rapid Transit System (commonly known as Delhi Metro) is being executed by the Delhi Metro Rail Corporation Ltd. (DMRC), a joint sector company owned by the Ministry of Urban Development & Poverty Alleviation and the Government of National Capital Territory of Delhi (GNCTD), with equity participation in the ratio of 50:50. The Ministry of Railways is not involved in the funding of Delhi Metro Rail Project. In case of Calcutta Metro Project, the project was taken up in the early 1970s and at that time entire dividend free funding was provided by Union Government to the Railways. Extension of the Calcutta Metro from Tollyganj to Garia has also been taken up as part of the scheme, for which the State Government has agreed to provide financial support by sharing $1/3^{rd}$ of the project cost.

143. It was informed to the Committee that there have been differences in the funding modalities with the passage of time depending upon the financial resources of the Railways and the socio-economic benefits perceived by the different state governments of an efficient rail based commuter system.

PASSENGER AMENITIES

144. Rs. 200 crore were allocated for passenger and other railway users' amenities during the year 2000-01. However at the fag end of the year the same allocation has been revised to Rs.144 crore. During the year 2001-02 the Ministry of Railways have made a budgetary provision of Rs. 200 crore for the same aforesaid purpose.

145. Justifying the shortfall in allocation on passenger amenities, the Ministry in a written note submitted that on account of a shortfall in resources and the consequent reduction in the Plan size, the Budget Estimate for the Plan Head 'Passenger and Other Rail Users Amenities' have been revised from Rs. 200 crore to Rs. 144 crore during the year 2000-2001. They further stated that the minimum essential amenities are available almost at all stations, Railways endeavour to upgrade and augment the available amenities to the recommended and desirable levels as per the scales prescribed for different categories of stations. In addition, the aspirations of the passengers expressed through the public representatives and other users groups are also accommodated to the extent possible. It would, therefore, be difficult to provide any definite figure which can be called as an ideal allotment. Based on the requirements projected in the next financial year, an allotment of Rs. 200 crore has been proposed.

RECOMMENDATIONS/OBSERVATIONS

Performance during 1999-2000

146. The Committee find that the actual performance of the Railways for the year 1999-2000, more or less confirmed the trends available at the RE stage during the period. The passenger earnings were Rs. 9581 crore which were Rs. 97 crore more than the RE target of Rs. 9484 crore and Sundry Other Earnings were Rs. 657 crore which were Rs. 22 crore more than the Revised Estimate target of Rs. 635 crore. Other Coaching Earnings were Rs. 825 crore which were more by Rs. 14 crore than the Revised Estimate of Rs. 811 crore. The Goods Earnings were Rs. 22061 crore which were Rs. 30 crore less than the Revised Estimate of Rs. 22,091 crore. Thus the total Earnings came to Rs. 33,124.71 crore against the Revised Estimate of Rs. 33,021.00 crore. The Committee also find that accretion to Traffic Suspense during the year was Rs. 185.90 crore against the Revised Estimate of clearance to the extent of Rs. 75.00 crore. The accretion of traffic suspense over the RE worked out to Rs. 2,60.90 crore. The Gross Traffic Receipts thus came to Rs. 32,938.81 crore which were of course less by Rs. 157.19 crore than the revised target of Rs. 330,96 crore.

On the Ordinary Working Expenses side, the Committee note that these were Rs. 25,644.93 crore against the revised target of Rs. 25,790.00 crore. Appropriation to the DRF and to the Pension Fund stood at Rs. 1,670.00 crore and Rs. 3,529.06 crore respectively as against the RE of Rs. 1,550 crore and Rs. 3,569.06 crore respectively. The total Working Expenses thus came to Rs. 30,843.99 crore.

The Net Traffic Receipts were Rs. 2,094.82 crore and the Net Miscellaneous Receipts came to Rs. 640.85 crore against the RE target of Rs. 616.80 crore. The Net Revenue came to Rs. 2,735.67 crore as against the RE of Rs. 2,803.74 crore. After payment of dividend of Rs. 1,889.78 crore to General Revenues, the "Excess" worked out to Rs. 845.89 crore against the revised target of Rs. 899.00 crore.

The Committee further note that the Railways surpassed the freight target of 450 MT by lifting 456.42 MT of originating freight. The traffic output was 305 billion tonnes kilometers (BTKM) as compared to 282 BTKM in 1998-99.

Performance during Ninth Five Year Plan (1997-2002)

147. The Committee find that keeping in view the performance in the first two years of the Ninth Plan, a Mid-Term Review was made and the freight traffic target was scaled down to 500 MT of revenue earning traffic equivalent to 327 BTKM of transport output. This represents an average growth of 3.5 per cent per annum. The passenger traffic in the terminal year of the Ninth Five Year Plan has been projected at 4782 million originating passengers equivalent to 399.4 billion passenger kilometres which represents an average growth rate of about 3 per cent per annum. However, as per the Mid-Term Review of the Ninth Plan, the estimates for passenger traffic in the terminal year 2001-02 have been revised to 4927 million

originating passenger which represents the growth rate of about 2.54 per cent per annum. The targets for passenger kilometers have already been exceeded in 1999-2000 itself where the actual passenger kilometres achieved was about 433.39 billion passenger kilometres. The target for 2000-01 is 457.28 billion passenger kilometres and with the same trend continuing in 2001-2002 the growth rate vis-à-vis passenger kilometres should be in the range of 5.08 per cent per annum.

The Committee also find that against the target of 475 MT which was fixed for loading of revenue earning freight for the year 2000-01, the Railways have already loaded about 390 MT of revenue earning freight during the period April 2000 to January 2001 which is 18.48 MT more than what was achieved in the corresponding period of last year. There is also a high growth in passenger earning which reached about Rs. 8552 crore by the end of January, 2001 which marks an increase of Rs. 740 crore over the previous year's earnings during the corresponding period.

Revenue from Non Traditional Sources

148. The Committee find that the Railways, being faced with a stagnant allocation from the exchequer and a shortfall of plan requirements have proposed to raise revenue upto Rs. 1000 crore to meet their plan investment from non traditional sources of revenue such as commercial exploitation of land, air space, commercial publicity on rolling stocks and Railways stations. However, as the Railways' non traditional operations did not deliver the desired results during the current year, the Committee doubt whether the Railways would be able to achieve their target of Rs. 1000 crore from Non Traditional Sources in the coming year. The Committee, therefore, apprehend that the plan works of the Railways are likely to suffer on this account. In order to achieve this target, the Railways should spell out their concrete strategy.

Restructuring of Railways

149. The Committee note that the present financial position of the Railways clearly shows that there is crises in every field of Railways whether it is safety or maintenance of Railway assets or laying of new lines or it is track renewal. There are number of pending and ongoing projects which require huge financial resources. The Committee express their concern over the virtual wipe out of internal resource generation with unsustainable operating ratio projected at 98.8 per cent. In view of growing competition in transport sector the Railways must strive for cutting costs both in passenger and freight operations and plugging their revenue leakages. The Committee feel that there is an urgent need for the Railway to review their entire tariff policy in order to attract both freight traffic vis-a-vis subsidisation of passenger traffic and to emphasise the need for running the Railways on commercial principles and thereby de-linking the cost of social and other obligations which should be borne by the States/the Departments of

the Government of India. The hike in freight rates, though marginal, may have a cascading effect on the cost of production and it may lead to cost-push inflation. The Committee thus feel that there is an urgent need of the reforms, revival and rejuvenation of the Railway system. In order to effect necessary reforms, the Committee recommend that the Railways should consider seriously the following suggestions:

- **(i) Declaration of a moratorium for the time being on all new projects and proposals in favour of consolidating the system.**
- **(ii) Re-orientation of services of the Railways to be the kingpin in India's logistics and supply chain services as well as for millions of passengers to travel with safety and comfort, recovering the cost of services equitably and rationally.**
- **(iii) Optimization of the utilisation of assets, laying down stringent new norms on maintenance, insisting on zero-failure of fixed installations and rolling stock. This, in turn, may yield not only safe transit and travel but help improve reliability, productivity and capacity.**
- **(iv) Streamlining of the system by drastically pruning the number of yards, sheds, depots, offices, etc. The Railways have a very large percentage of unskilled manpower. The Ministry should adopt a policy of modernising their system with the state-of-the-art technology and provide proper training to the unskilled manpower so that they could be utilised for the betterment of the Railways.**
- **(v) Regaining of share in freight traffic with the help of a rationalised tariff policy. Heavy cross subsidisation on passenger fares should be phased out gradually.**
- **(vi) Augmentation of capacity on the saturated high density corridors particularly on the Golden Quadrilateral by undertaking doubling, opening up of alternative routes through new lines, gauge conversion etc.**
- **(vii) Greater emphasis should be laid on completion of existing projects. Proper prioritisation of all ongoing projects to drive maximum benefits to ensure that resources are not spread too thinly across projects and the existing throw-forward position of the projects is not jeopardized further.**
- **(viii) Accelerating the programme of containerisation, not only to promote multi-modal transport but also as a strategy for increasing their own market share and catering to high value traffic.**
- **(ix) Upgradation of safety infrastructure through induction of technical aids to support human element and enhance asset reliability.**
- **(x) For greater customer orientation of the railway services, there is need of empowerment of staff at cutting edge level. Greater delegation of powers will result in faster and quicker**

response to various situations and improvement in quality of service. Such delegation should be effected by undertaking a study of various feedback received from the customers and proper assessment of customer requirement.

Operating Ratio

150. The Committee find that the Railways are at present in a paradoxical situation. Though they are putting in a good performance both in freight and passenger movement, yet they have been suffering for funds. Out of the total dividend liability of Rs. 2352 crore towards general revenue, Rs. 1000 crore have been proposed to be transferred to Deferred Dividend Liability Account. Had the Railways been asked to make this payment, there would have been a shortfall of Rs 168.08 crore instead of 'Excess' which has been shown at Rs. 831.20 crore. And thus the operating ratio projected at 98.8 per cent for the year 2001-2002 does not reflect the true financial picture of the Railways. The Committee are unhappy over the fact that the Railways are not able even to meet their annual plan requirements during 2000-01. More seriously, there has been a sharp fall in appropriations to the Depreciation Reserve Fund, the Development Fund and the Railway Capital Fund. The Committee therefore caution the Railway Board against the continuous deteriorating operating ratio which may in future jeopardize the expansion of Railway network.

Market borrowings

151. The Committee find that the Market borrowings by the Railways through the Indian Railway Finance Corporation (IRFC) have reached at such height that even after the discharge of liability to the extent of Rs. 7086 crore till March 2001, the outstanding liability still remains at Rs. 14998 crore which may go up by Rs. 3028 crore during 2001-02. The Committee express their concern over the increasing market borrowings by the Railways at higher rates and caution the Railways against the virtual debt trap.

The funds mobilised through IRFC are not only being used for procurement of wagons but also for coaches and locomotives, which are being utilised for running passenger services on which the Railways have been incurring losses. The Railways are, therefore, utilising high-cost market borrowings for sustaining loss-making operations. The Committee feel that such a model of financing is a sure recipie for disaster. They, therefore, recommend that the Railways should make redical reforms in this area to bring financial discipline and prudence back in the system.

Land Management

152. The Committee find that the Railways own about 4.20 lakh hectares of land which is mainly used for locating service and operational infrastructure such as track, stations, workshops, staff colonies, commercial licensing and other miscellaneous uses like pisciculture. Out of this, 0.02 lakh hectares land is under encroachment and 0.25 lakh hectares lying vacant. The Committee observe that every year new lines are constructed; hospitals/staff quarters are built; lakhs of saplings are planted on the Railway land but the quantum of land lying vacant remains the same. Similarly, a number of steps as intimated by the Railways were taken/are being taken to remove the encroachments from the Railway land but the quantum of land under encroachment has remained the same i.e. 0.20 lakh hectares for the last so many years. When the Committee wanted to know the factual position in this regard, they were informed that as certain data which had been compiled needed re-verification, the same will be placed before the Committee later. The Committee express their serious concern over the failure of the Railway Board in maintaining the proper and accurate data of their land and its uses.

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

The Committee also desire that (a) unutilized space of land in important/non-important Railway link stations should be either leased out for commercialisation unless otherwise there is a specific expansion plan in that area; (b) shops and establishments which are already functioning on some Railway stations premises should be regularized by leasing and licensing arrangements and (c) the lands/ponds which could be utilized for agriculture and fishing should also be auctioned or given on lease to realise higher values.

The Committee further desire that there should be complete transparency in allotment of Railway land for stalls and other purposes. In future all stalls at platforms should be auctioned.

Passenger Services/Amenities

153. Passenger amenities are such a sacrosanct area where compromises can never be thought of. These are the yard stick of the performance and the life line of business of the Indian Railways. These amenities works like a catalyst to multiply the growth of the Railways and hence can never be ignored. Fortunately the allocation towards passenger amenities over the years got increased, but the practice of under utilization/cut in expenditure at the revised stage continued unabatedly. During the year 2000-01, Rs. 200 crore were sanctioned at the budgetary stage and the same were revised to Rs. 143.5 crore at the fag end of the year.

The passenger amenities in the eyes of this Committee are nothing but sort of arteries carrying the required blood and plasma to the Railways in the form of traffic receipts and growth which ensure their operational productivity and efficiency. Therefore, they strongly recommend that henceforth no cut be imposed under this Head and optimum utilization of allocation be ensured. They further recommend that very intensive training programmes be arranged for the behavioural change in the operational as well as the commercial staff. They also emphasize that sanitation should be given top most priority both on platforms and in trains.

The Committee also note that the Railways have failed to plug the revenue leakages and the corruption prevalent in various areas of the Railways due to administrative inefficiencies of the Railway Board. The Committee find that the trains do not run on time; ticket examiners take money and allow unreserved passenger to travel in reserved compartments; even drinking water is not provided; lack of cleanliness at stations and in the running trains; poor quality of catering etc. These are some of the glaring examples of their failure. The Committee are of the view that unless the accountability is not enforced by fixing responsibility, the Railways would not be able to provide better services to their users and therefore desire that they should concentrate in providing better services in all the above mentioned fields. The Committee are of the firm opinion that the rail users are ready to pay more if they are provided the services of quality and satisfaction.

The Committee also feel that fullest use of Information Technology would help the Railways in improving their public image and quality of service. Non-availability of accurate train running information is one of the common complaints among all railway users. Computerisation of control offices, control board, etc. would help in collection and dissemination of train running information on real time basis. Public domain data bases should be created. The data wharehouses should be created for the use of MPs, MLAs, Government Departments, Tourists, Passengers, Travel Agents, Tour Operators, Freight Customers, Industrial Houses, Confederation of Industries, Chamber of Commerce, Project Consultants, Suppliers, etc.

The Committee also desire that urgent action should be taken on the following issues/suggestions:-

1. **Safety of passengers**

2. **Proper policy for maintenance of Railway stations.**

3. **Electrification of Railway stations**

4. **Computrised reservation facilities be provided at the remaining stations of all the district headquarters during the year 2001-02.**

5. **Top priority should be given to cleanliness in general compartments also.**

6. **Divisional Railway Users Consultative Committees and Zonal Railway Users Consultative Committee be constituted within three months and their meetings should be held regularly. Composition of these Committees should be displayed at the stations falling under their jurisdiction.**

7. **Provision of adequate dustbins at all the Railway platforms at a distance of every 15 yards and the words 'Use Me' be written on these dustbins in English, Hindi and regional language.**

8. **All guidelines/instructions/suggestions for rail users displayed at the Railway stations should be printed in regional language, Hindi and English.**

9. **Provision of adequate drinking water for every 3 coaches at all the Railway platforms.**

10. **Passengers travelling with valid tickets be treated as railway property so that their safety should come under the purview of RPF.**

11. **The Railways should make their purchases from handloom manufactures keeping in view the present financial position of the Handloom Industry, being in distress, due to which a number of weavers have committed suicide..**

12. **Stoppage of August Kranti Express at Godhra be considered.**

Railway Share in Transport

154. **The Committee find that the share of Railways in the movement of goods passengers has declined significantly over the years. In 1950-51 the Railways carried 89 per cent of goods traffic which declined to 40 per cent in 1996-97. Similarly, the Railways carried 80 per cent of passenger traffic in 1950-51 which declined to 20 per cent in 1996-97. The Committee note that though the Railways have taken a number of measures to augment and strengthen their capacity yet they have failed to optimize their market share in respect of freight and passenger traffic vis-à-vis road transport probably due to capacity constraints on the major trunk routes which carry the bulk of both passenger and freight traffic, inadequate wagon utilisation, inadequate provision for replacement of over-aged assets and time and cost overruns in the execution of the railway projects. These are the main areas of concern which require immediate attention of the Government.**

The Committee also find that the Railways have proposed Rs. 2654.94 crore for diesel oil consumption in BE 2001-02 against Rs. 1738.89 crore in 1999-2000 (actual) due to increase in consumption of diesel and its price. The quantity of HSD oil increased from 51.34 thousands KLs (as on 31st March, 1995) to 143.85 thousands KLs (as on 31st March, 1999) which resulted an increase of 180.19 per cent. This gives a clear indication that the Railway is the main user of HSD oil. The Government of India have imposed a levy of Rs. 1 per liter on petrol in 1998-99 and subsequently in 1999-2000 an additional duty of Rs. 1 per liter was also levied on imported and Domestic High Speed diesel and the revenue therefrom is being transferred to Central Road Fund. Though the Rail transport as compared to the road transport is five to six times more energy efficient, cost effective and eco-friendly the Railways are getting only 12.5 per cent of 50 per cent of cess on HSD and the entire cess collected on petrol for construction of ROB/RUB and safety works at the unmanned level crossings. Keeping in view the financial constraints being faced by the Railways, even in meeting their infrastructural requirements, the Committee recommend that the Railways should at least be paid one third of the total cess so that it could help them to meet their expenditure on ongoing projects and safety works.

Safety and Security

155. The Committee note that there is total neglect of safety and security of Railway passengers in the trains. Dacoities, robberies and many other crimes in the running trains are increasing day by day. The Committee express their serious concern over the fact that there is no proper coordination among the Railways and the State Governments to combat these crimes and recommend that the Railway Board should convene a meeting of all the State Home Ministers, Chief Secretaries, Home Secretaries, DG/IG of RPF/GRP at Minister's level in order to establish proper coordination among them to combat these crimes. The outcome of the meeting should be intimated to the Committee.

The Committee also desire that information regarding dacoities, robberies and other crimes committed in the Railway premises/running trains during the last six months should be furnished to them along with action taken against erring GRP/RPF personnel.

Parcel Management

156. The Committee have noted that private courier services are making huge profits where Railways are running into losses as far as parcel services are concerned. There is hardly any focus on the management of parcel services. Mixing of parcel business and loading 'hard parcels' in passenger trains is resulting in poor services to the passengers. A lot of inconvenience is caused due to delays in trains etc. The Committee consider that parcel service has tremendous scope for making vibrant business. Therefore, they think that there is considerable scope of running chartered parcel trains between major metros and desire that the parcel services be segregated from passenger business and a new system of running

separate parcel trains from parcel terminals be started. They also suggest that the luggage vans of passenger trains should be confined for transportation of perishable commodities, newsprints, luggage and pets etc.

Social Obligations

157. In order to have a view of the financial performance of the Indian Railways vis-à-vis that of other Railways in developed/developing countries, the Committee want to bring to the notice of the Government that the size of railway track in Germany for a population of 80 million is 40000 Kms against the Indian Railways network of 62759 Kms for a population of 1000 million. As mentioned in 2nd Report of Railway Convention Committee (1996), the support, the German Government gave to their Railways amounted to DM 12996 million against generation of internal resources of DM 30723 million by that Railway even after privatization of their railway with the consent of all Political Parties w.e.f. 1.1.94. At the same time, the responsibility for infrastructural development continued to be with the German Government which provided funds in the form of grants and interest free loans. If a new unprofitable line is to be constructed, the investment is made by the Government and is treated as grant. In case of running an unprofitable line, the railway is suitably compensated by the Government. Even investment on profitable lines is also funded by the Government and the same is treated as interest free loan to be returned in agreed terms.

French Railway is a Government Undertaking having an integrated structure, with considerable autonomy in functional management. The internal structure continues to be mostly departmental oriented. Unprofitable projects, if imposed on that Railway, are to be financed wholly by the Government. Similarly, unprofitable local services and branch lines are subsidized by the local Government. However, the Railway is expected to run profitably in regard to freight, long distance passenger operations etc. Inspite of the above provisions, the Committee find that the French Railway was not able to make profit and on the contrary, it has been incurring heavy losses. The loss suffered by the French Railway was 6.5 billion FF in 1995 even after getting subsidy of 14.51 billion FF and infrastructure subsidy of 12.4 billion FF. However, w.e.f. 1 January, 1997, a new system has come into existence which brought about major structural changes but there has been no attempt to privatize French Railway as unions are very strong in France and are not in favour of it.

The British Railways were also given service obligation grant of 808.9 million Pounds in 1993-94 to sustain the quality and level of passenger business on Provincial Services and Net Work South East.

The Peoples Republic of China is a Country with an extensive territorial expansion and where the distribution of natural resources and the economic development is uneven. The operating network of Chinese Railway has increased from 21000 Kms in 1949 to 60000 Kms. by the end of 1995 with 29.6% being double track. The diesel and electric traction amounting to 32.2% and 13% respectively in 1990 has increased to 40% for diesel and 18.3% for electric by 1995. Although the diesel and electric locomotive account for 69% of all locomotives in stock, yet they carry 85.9% of all transportation traffic. By 1994 passenger and Cargo transportation reached 57.9% and 68.8% respectively of the entire transportation volume.

Keeping in view the experience of different World Railways, the Committee have come to the conclusion –

- **that the policy on market borrowings at high interest rate is highly detrimental to the health of Indian Railways and needs to be discontinued;**
- **development of infrastructure for the Indian Railways should be wholly financed by the Government as for the development of Roads, Airports and Ports, Government do provide 100% budgetary support;**
- **non-profitable/strategic lines should be financed in the form of grants and other profitable projects need to be financed in the form of dividend free loans;**
- **unprofitable short distance passenger operations, which are universally compensated, should be compensated by the Union Government;**
- **social burden imposed on Railways should be adequately compensated either by the Government or by the respective Ministries;**
- **there should be rapid extension and upgradation of Rail Network to meet the demands of the Indian economy expected to grow at the rate of 7%. Accordingly growth rate of Railways should be 10 to 15% if the demands of the economy are to be met and the market share of Railways is to be improved.**

IX Plan Performance

158. The Capital investment in the Indian Railways during the IX Five Year Plan has witnessed a major challenge. All the three sources of investment viz-a-viz (I) Internally generated revenues (ii) Market Borrowings and (iii) Capital/Budgetary Support experienced enormous constraints. However, against an outlay target of Rs. 45413 crore, the actual outlay is expected to be Rs. 47245 crore (at current prices) at the end of the IX Plan. The physical targets, as per the submission of the Member Engineer before the Committee, would be around 85% in respect of all the major Plan Heads except the Doubling

and Gauge Conversion which might hover around 46% and 56% respectively. The Railway Board in a written note also apprised the Committee that Track Renewal is another area where the desired pace of progress did not occur owing to inadequate financial allocations. It was also submitted that a very huge backlog of arrears i.e. 11928 kms. on Broad Gauge and 4700 kms. on Metre Gauge and Narrow Gauge as on 1.4.2000 still exist for renewal. In this connection the Committee are concerned to note the reply of the Government that "presently, railway has been able to provide funds for Track Renewals generally adequate to take care of current arising. For liquidating the backlog extra funds are needed, which are at present, not available". The Committee also find that the present management of Depreciation Reserve Fund and allocation of funds for various renewal activities needs a thorough review. While a separate Plan Head exists for renewal of track, no such segregation has been done for renewal of other assets, such as signalling, telecom, OHE, Workshop and Sheds, Service Buildings & staff quarters, etc. The present method of assessment of track renewal requirement and arrears does not provide adequate insight to management in either estimating the requirement or liquidating the arrears in a time-bound manner. Despite enhanced allocations to track renewals, the physical arrears have only increased. There appears to be certain deficiencies in identification and clearance of track renewal arrears. As non-renewal of old track is hazardous from the Safety point of view, the Committee desire that the backlog should be wiped out first on priority basis.

The Committee, after having gone into the depth of the matter relating to the capital investment requirements and the availability of the requisite resources, are of the firm opinion that the Indian Railways must put forward their pragmatic and mercantile view before the Planning Commission and the Ministry of Finance to get their financial constraints addressed to in the forthcoming X Five Year Plan. The Committee strongly recommend that the Indian Railways be accorded a fair deal by the Government while finalizing the X Plan. Simultaneously the Committee can't ignore but recommend that accountability be fixed invariably for non-realising the projected targets and the punitive action be taken against the officers whose inefficiency hamper the progress of the projects.

The Committee further note that investments on safety in Railways are being given lower priority compared to investments on unviable projects. The need of the hour is to consolidate the existing network and make it more safe. Further investments for renewal and safety should get higher priority than all other investments. The Committee, therefore, desire that the Railway Board should prepare a blue print for undertaking safety projects in a time-bound manner as recommended by Railway Safety Review Committee and for that purpose Government may examine to provide one time grant to the Railways for improving safety.

Extension of Existing Projects

159. Taking into account the present precarious financial position of the Indian Railways where (i) a huge backlog of projects costing about Rs.35000 crore is already existing (ii) closing balances of Railway Funds are almost negligible (iii) internally generated revenues are not in surplus (iv) marketing borrowings are adding extra heavy burden for lease charges and (v) pension liability galloping year after year, the Minister of Railways while presenting the current Budget did a commendable job by announcing categorically that no new project would be taken up in the year 2001-02. To justify it, the Minister informed the House that taking up new projects would further aggravate the financial position of the Railways. Nevertheless, thirteen ongoing projects (4 New Lines, 7 Gauge Conversion and 2 Doubling) have been extended in the name of material modification with an additional cost of Rs. 730 crore. The Committee have been informed that this additional cost of Rs. 730 crore is based not on final location survey but on survey reports wherever available and the balance on the basis of rough assessment of cost of similar projects. This Committee are of the opinion that as the present cost is not based on final location survey and realistic parameters, it may work out to be substantially more. The more disturbing fact is that there are no such guidelines approved by the Cabinet Committee on Economic Affairs which authorize the Minister of Railways to include such extension of already ongoing projects.

The Committee are surprised over the fact that thirteen new projects have been included in the Budget in the name of extension of projects even when out of these thirteen projects, eight projects have negative Rate of Return. After having examined, scrutinised and analyzed the financial health of the Railways since 1993-94, this Committee have reached a conclusion that adding of new projects in the Railways' already existing shelf without ensuring the availability of required funds will prove a nail in the coffin. This Committee think that a saturation point has come beyond which no light of hope beckon. Therefore, this Committee considers it imperative to recommend that henceforth a strict moratorium be imposed on taking up new projects unless matching funds are assured even for strategically required for defence purposes. They further recommend that extended portion of the already existing project be taken up for execution only after the original project gets completed. They also stress that no project should be extended in the name of material modification without the prior approval of the Planning Commission, Expended Board and the Cabinet Committee on Economic Affairs. The Committee also desire that all these thirteen projects be placed before the Planning Commission, Expanded Board and Cabinet Committee on Economic Affairs and their opinion be placed before the Committee.

Priority of Projects

160. The Committee are of the firm opinion that the time has come to stop the blanket liberty presently in practice in the Railway Board to distribute the largesse's resulting in spreading the rare resources thinly. They are of the opinion that those projects which are near completion stage/viable must get priority. The projects which are socially desirable be taken up only when matching funds are assured either by the States concerned or the Central Government. They strongly recommend that existing priority of already on-going projects be reviewed critically and it must not be a mere categorization of projects but realistic enough in terms of funding requirement.

Scope for Private Investment

161. Though Indian Railway partially introduced private investment opportunities both in the areas of construction of projects and procurement of rolling stock in the form of Build, Own, Lease and transfer (BOLT) Scheme, the experience particularly in the construction side hasn't been an encouraging one. So far, only two gauge conversion projects (i) Viramgam-Mehsana on Western Railway and (ii) Mudkhed-Adilabad on South Central Railway were taken up under BOLT. Unfortunately the former was terminated after the private agency failed to adhere to the completion schedule and the later is not progressing on the prescribed lines. The third project is a New Line project of 53 km. connecting Mundra Port being implemented by a private party which will construct and maintain the said line. Nevertheless, the Committee are of the realistic view that no serious efforts have been envisaged for involving Private Sector in the creation and maintenance of railway network and assets. The private entrepreneurs lack requisite confidence to invest as the risk factor is too high. This Committee recommend that the Indian Railways must vigorously evolve the philosophy of private participation in the creation of capital assets and a mechanism be evolved so that private entrepreneurs could participate in these projects without any fear or hesitation.

The Committee also note that the Railways have been suffering huge losses on about 110 uneconomic branch lines. The traffic level on these lines is low and do not justify the running of the present type of rail services which are primarily meant for moving masses and high density of traffic. In other countries, successful experiments have been made for either making such lines as financially viable or reducing the losses by giving the operation to private operators on a long-term concession. While government retains the ownership, the private sector brings about the efficiency, provides a desired service level and markets for more traffic. The Committee desire that a pilot project should be started on experimental basis on some of the uneconomic lines.

Annual Plan 2000-01 and 2001-02

162. The Annual Plan for the current year i.e. 2000-01 was initially budgeted at Rs. 11000 crore. However, at the fag end of the year it was cut short by Rs. 998 crore and Ministry attributed the same to the shortfall in traffic receipts in general and non-materialization of non-traditional sources in particular. The Plan size for the year 2001-02 has been estimated of the order of Rs. 11090 crore, out of which Rs. 3550 crore are to be mobilized through (I) the internally generated revenues and (ii) non-conventional resources. Given the fragile nature of these two resources which has already been experienced during the annual plan 2000-01, the source of funding the Plan 2001-02 smacks off uncertainty and apprehension in the mind of this Committee. Moreover, it has been observed that the Railway Board at the beginning of each new Budget/Plan do overestimate the financial targets and later on at the revised stage of the Plan, substantial cuts are imposed. This Committee think that such kind of exercise does affect the long term interests of the Railways. They, therefore, strongly deprecate such kind of unrealistic, irrational and unscientific planning. They are of the considered view that the Railways must be realistic enough to their needs and accordingly a straight forward planning breathing principles of equity, transparency and professionalism be ensued.

Doubling

163. Doubling of railway lines is one of the most important areas which directly contribute towards the augmentation of traffic capacity and particularly in the context where priority of these projects is solely decided by the Railways keeping in view the operational requirement and viability of the project. Unfortunately, this is the area which bore the maximum brunt of financial constraints during the IX Plan resulting in the lowest growth. The IX Plan is likely to witness an achievement of 1140 kms. only (46%) against the target of 2500 kms.

The Committee were also informed that as on date a total financial throw forward of ongoing doubling projects is about Rs. 4000 crore and the ideal outlay on yearly basis is required to the order of Rs. 1000 crore. In BE, 2001-02, Rs. 672 crore have been allocated for executing the ongoing doubling projects. Last year, at the fag end a cut of the order of 15% was imposed reducing the original budget estimate from Rs.655 crore to Rs. 568 crore. This Committee after having studied the entire spectrum of the Doubling aspect in its entirety have reached a conclusion that the Doubling throw forward be positively cleared within 3-4 years by providing adequate allocation and hereafter no cut be imposed on this Head. They are of the firm view that by doing so, Railway' on-line traffic carrying capacity would dramatically increase, which would ensure better rate of return, productivity and efficiency.

Gauge Conversion

164. Gauge Conversion has been a very critical area of debate. The philosophy behind the introduction of gauge conversion on mass-scale i.e. Project Unigauge since 1992 was to explore an economical alternative to the doubling of already metre gauge routes which were densely saturated resulting in detention of rolling stock and goods. However, over the years due to non-availability of required resources coupled with reckless sanctioning of conversion projects every year, the performance under this Head suffered a serious set back. As on date the total sanctioned gauge conversion projects are about 19000 kms. Out of it about 8000 km. have been completed and 11000 kms. are yet to be converted with the required throw forward of Rs.10,000 crore. The Committee were informed that at the present level of investment i.e. about Rs. 700 crore, it will take 13-14 years to clear backlog of gauge conversion.

The Railway Board further apprised the Committee that some abandoned meter gauge lines have been re-started running the trains and new rolling stock for metre gauge lines particularly coaches have been started manufacturing. The Committee after having analyzed and examined the conversion issue in its entirety reached a conclusion that gauge conversion matter requires a second thought by the Ministry. They are of the firm opinion that as the required resources for conversion purpose are of astronomical nature and mobilization of the same is the biggest challenge before the Indian Railways. Therefore, they strongly recommend that the priority fixed for conversion projects be critically reviewed and the same be fixed in such a fashion where allocation can be made to those conversion projects which are (i) near the completion stage (ii) operationally viable and (iii) traffic capacity generators. This Committee strongly opine that the present priority which is a mere categorization of projects must go and a sagacious pattern of funding be evolved while fixing the priority.

165. During the discussions, the Committee have felt that in many respects the lack of true accountability and enforcement of efficient standards of performance and problems such as dividend to be paid to the General Budget and claim for adequate subvention from the Ministry of Finance are due to prevalence of anti etiquetted colonial organisation structure symbolised in the Railway Board. It was therefore felt that in order to modernize the Railway structure, the issue of abolition of Railway Board and replacing it by a more state-of-the-art structure such as converting it into a full fledged Ministry and making the Railway Board a part of General Budget or corporatising the Railway system by creating a holding joint stock Corporation and converting the Zonal Railways into independent operating subsidiary corporations could be considered. The Committee decided to hold more meetings, if necessary, to formulate their ideas on the subject and make appropriate recommendations.

166. The Departmentally Related Standing Committee System was introduced in March, 1993 and it was considered to be a major step towards exercising closer Parliamentary control on the functioning of the Executive in the Parliamentary form of Government. As a matter of fact, it was described as a breakthrough in the closer interaction between the Legislature and the Executive. The first Standing Committee on Railways was constituted on 8.4.1993 and it presented its first Report to Lok Sabha on Demands for Grants for the year 1994-95 on 22 April, 1994. Since then each Standing Committee on Railways has been giving its Report each year on the Demands for Grants relating to the Railway Board. Although a number of recommendations have been made by the Committee, yet not even a single recommendation has been reflected/included in the Railway Budgets presented so far. The Committee express their concern over this indifferent attitude of the Railway Board in regard to recommendations/observations of the Committee.

167. The Committee desire that the suggestions made by the Members of the Committee as appended to the Report be implemented in letter and spirit.

New Delhi
April 9, 2001
Chaitra 19, 1922 (Saka)

K. YERRANNAIDU
Chairman,
Standing Committee on Railways

PART – II

Minutes of the fifth sitting of Standing Committee on Railways (2001)

The Committee sat on Thursday, the 29th March, 2001 from 1100 hours to 1300 hours in Room No. ‘63’, First Floor, Parliament House, New Delhi.

PRESENT

SHRI K. YERRANNAIDU - Chairman

MEMBERS

LOK SABHA

40. Dr. (Smt.) Anita Arya
41. Shri M. Chinnasamy
42. Shrimati Santosh Choudhary
43. Shri Priya Ranjan Dasmunsi
44. Shri Tarun Gogoi
45. Dr. Madan Prasad Jaiswal
46. Shrimati Abha Mahato
47. Shri Salkhan Murmu
48. Shri Jaibhan Singh Pawaiya
49. Shri Naval Kishore Rai
50. Shri Prabhat Samantaray
51. Dr. Nitish Sengupta
52. Shri Bahadur Singh
53. Shri Rajo Singh
54. Shri Jagdambi Prasad Yadav

RAJYA SABHA

55. Maulana Obaidullah Khan Azmi
56. Shri Jhumuk Lal Bhendia
57. Shri Banarasi Das Gupta
58. Shri Bhagatram Manhar
59. Shrimati Chandrakala Pandey
60. Shri Shyam Lal
61. Shri Gopalsinh G. Solanki
62. Shri Abani Roy

SECRETARIAT

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

WITNESSES

1.	Shri Ashok Kumar	-	Chairman, Railway Board & Ex—Officio Principal Secy. to the Government of India.
2.	Shri P. Rajagopalan	-	Financial Commissioner (Railways) & Ex-Officio Secy. to the Government of India.
3.	Shri R.N. Malhotra	-	Member Engineering & Ex-Officio Secy. to the Government of India.
4.	Shri K. Balakesari	-	Member Staff & Ex-Officio Secy. to the Government of India.
5.	Shri K.B. Sankaran	-	Member Mechanical & Ex-Officio Secy. to the Government of India.
6.	Shri N.K. Chidambaram	-	Member Electrical & Ex-Officio Secy. to the Government of India.
7.	Shri R.K. Thoopal	-	Member Traffic & Ex-Officio Secy. to the Government of India.

2. At the outset, the Chairman welcomed the Members and the representatives of the Ministry of Railways to the sitting of the Committee and invited their attention to Direction 58 of the Directions by the Speaker, Lok Sabha. The Chairman also congratulated Shri Shyam Lal M.P. on his nomination to the Standing Committee on Railways. Thereafter, the Committee took evidence of the representatives of the Ministry in connection with examination of the Demands for Grants for the year 2001-02.

3. The evidence remained inconclusive.

4. A verbatim record of proceedings has been kept.

The Committee then adjourned.

<u>Minutes of the sixth sitting of Standing Committee on Railways (2001)</u>

The Committee sat on Thursday, the 29th March, 2001 from 1400 hours to 1600 hours in Room No. '63', First Floor, Parliament House, New Delhi.

<u>PRESENT</u>

SHRI K. YERRANNAIDU - Chairman

<u>MEMBERS</u>

<u>LOK SABHA</u>

1. Shri M. Chinnasamy
2. Dr. Madan Prasad Jaiswal
3. Shrimati Abha Mahato
4. Shri Prabhat Samantaray
5. Shri Bahadur Singh
6. Shri Rajo Singh
7. Shri Jagdambi Prasad Yadav

<u>RAJYA SABHA</u>

8. Shri Jhumuk Lal Bhendia
9. Shrimati Chandrakala Pandey
10. Shri Gopalsinh G. Solanki
11. Shri Abani Roy
12. Shri Ramachandraiah Rumandla

SECRETARIAT

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

WITNESSES

1.	Shri Ashok Kumar	-	Chairman, Railway Board & Ex—Officio Principal Secy. to the Government of India.
2.	Shri P. Rajagopalan	-	Financial Commissioner (Railways) & Ex-Officio Secy. to the Government of India.
3.	Shri R.N. Malhotra	-	Member Engineering & Ex-Officio Secy. to the Government of India.
4.	Shri K. Balakesari	-	Member Staff & Ex-Officio Secy. to the Government of India.
5.	Shri K.B. Sankaran	-	Member Mechanical & Ex-Officio Secy. to the Government of India.
6.	Shri N.K. Chidambaram	-	Member Electrical & Ex-Officio Secy. to the Government of India.
7.	Shri R.K. Thoopal	-	Member Traffic & Ex-Officio Secy. to the Government of India.

2. At the outset, the Chairman welcomed the Members and the representatives of the Ministry of Railways to the sitting of the Committee. Thereafter, the Committee took further evidence of the representatives of the Ministry in connection with examination of the Demands for Grants for the year 2001-02.

5. The evidence remained inconclusive.

6. A verbatim record of proceedings has been kept.

The Committee then adjourned.

Minutes of the seventh sitting of Standing Committee on Railways (2001)

The Committee sat on Friday, the 30th March, 2001 from 1100 hours to 1430 hours in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

SHRI K. YERRANNAIDU - Chairman

MEMBERS

LOK SABHA

1. Shri M. Chinnasamy
2. Shrimati Santosh Choudhary
3. Shri Priya Ranjan Dasmunsi
4. Shri Moinul Hassan
5. Dr. Madan Prasad Jaiswal
6. Shri Jaibhan Singh Pawaiya
7. Shri Naval Kishore Rai
8. Shri Prabhat Samantaray
9. Shrimati Sushila Saroj
10. Dr. Nitish Sengupta
11. Shri Bahadur Singh
12. Capt. (Retd.) Inder Singh
13. Shri Rajo Singh
14. Shri A.K.S. Vijayan
15. Shri Jagdambi Prasad Yadav

RAJYA SABHA

16. Shri Jhumuk Lal Bhendia
17. Shri Banarasi Das Gupta
18. Shri Bhagatram Manhar
19. Shrimati Chandrakala Pandey
20. Shri Shyam Lal
21. Shri Abani Roy

SECRETARIAT

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

WITNESSES

1.	Shri Ashok Kumar	-	Chairman, Railway Board & Ex—Officio Principal Secy. to the Government of India.
2.	Shri P. Rajagopalan	-	Financial Commissioner (Railways) & Ex-Officio Secy. to the Government of India.
3.	Shri R.N. Malhotra	-	Member Engineering & Ex-Officio Secy. to the Government of India.
4.	Shri K. Balakesari	-	Member Staff & Ex-Officio Secy. to the Government of India.
5.	Shri K.B. Sankaran	-	Member Mechanical & Ex-Officio Secy. to the Government of India.
6.	Shri N.K. Chidambaram	-	Member Electrical & Ex-Officio Secy. to the Government of India.
7.	Shri R.K. Thoopal	-	Member Traffic & Ex-Officio Secy. to the Government of India.

2. At the outset, the Chairman welcomed the Members and the representatives of the Ministry of Railways to the sitting of the Committee. Thereafter, the Committee took further evidence of the representatives of the Ministry in connection with examination of the Demands for Grants for the year 2001-02. The Chairman thanked the Railway Officials for appearing before the Committee and placed the facts before the Committee as desired by them.

7. The evidence concluded.

8. A verbatim record of proceedings has been kept.

The Committee then adjourned.

Minutes of the eighth sitting of Standing Committee on Railways (2001)

The Committee sat on Monday, the 9th April, 2001 from 1100 hours to 1315 hours in Room No. '53', First Floor, Parliament House, New Delhi.

PRESENT

SHRI K. YERRANNAIDU - Chairman

MEMBERS

LOK SABHA

1. Dr. (Smt.) Anita Arya
2. Shri M. Chinnasamy
3. Shri Priya Ranjan Dasmunsi
4. Shri Manikrao Hodlya Gavit
5. Shri Tarun Gogoi
6. Shri Moinul Hassan
7. Dr. Madan Prasad Jaiswal
8. Shri Salkhan Murmu
9. Shri Jaibhan Singh Pawaiya
10. Shri Naval Kishore Rai
11. Shri Prabhat Samantaray
12. Shrimati Sushila Saroj
13. Dr. Nitish Sengupta
14. Shri Bahadur Singh
15. Capt. (Retd.) Inder Singh
16. Shri Rajo Singh
17. Shri Jagdambi Prasad Yadav

RAJYA SABHA

18. Shri Banarasi Das Gupta
19. Shri S. Niraikulathan
20. Shrimati Chandrakala Pandey
21. Shri Anil Sharma
22. Shri Shyam Lal
23. Shri Gopalsinh G. Solanki
24. Shri Abani Roy
25. Shri Ramachandraiah Rumandla

SECRETARIAT

1. Shri R.C. Gupta - Deputy Secretary
2. Shri O.P. Shokeen - Committee Officer

At the outset, the Chairman welcomed the Members to the sitting of the Committee. Thereafter, the Committee considered and adopted the Draft Report on 'Demands for Grants (2001-02) of the Ministry of Railways with some amendments/modifications as indicated in Annexure. Besides, the Members also raised a number of issues as appended and desired that the same be included in the Report.

2. The Committee also decided to undertake weekend Study Tour to Shimla in April/May, 2001.

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

The Committee then adjourned.

ANNEXURE

AMENDMENTS/MODIFICATIONS MADE BY THE STANDING COMMITTEE ON RAILWAYS IN THE DRAFT REPORT ON 'DEMANDS FOR GRANTS' 2001-02
OF THE MINISTRY OF RAILWAYS

Sl. No.	Page No.	Para No.	Line	Additions/Modifications
1	2	3	4	5
1.	105	148		At the end of existing para, add the following: 'In order to achieve this target, the Railways should spell out their concrete strategy.'
2.	106	149		Substitute for existing sub para (iv) '(iv) Streamlining of the system by drastically pruning the number of yards, sheds, depots, offices, etc. The Railways have a very large percentage of unskilled manpower. The Ministry should adopt a policy of modernising their system with the state-of-art technology and provide proper training to the unskilled manpower so that they could be utilised for the betterment of the Railways.'
3.	107	149		At the end of existing para, add the following new sub para: '(x) For greater customer orientation of the railway services, there is need of empowerment of staff at cutting edge level. Greater delegation of powers will result in faster and quicker response to various situations and improvement in quality of service. Such delegation should be effected by undertaking a study of various feedback received from the customers and proper assessment of customer requirement.'
4.	108	151		At the end of existing para, add: the following sub para: 'The funds mobilised through IRFC are not only being used for procurement of wagons but also for coaches and locomotives, which are being utilised for running passenger services on which the Railways have been incurring losses. The Railways are, therefore, utilising high-cost market borrowings for sustaining loss-making operations. The Committee feel that such a model of financing is a sure recipe for disaster. They, therefore, recommend that the Railways should make radical reforms in this area to bring financial discipline and prudence back in the system.'
5.	108	152		At the end of the existing para, add the following sub paragraphs: 'The Committee note that the Railways' organisational set-up towards land management is absolutely weak. They are facing serious problem in management, development and custody of their lands specially

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

The Committee also desire that (a) unutilised space of land in important/non-important Railway link stations should be either leased out for commercialisation unless otherwise there is a specific expansion plan in that area; (b) shops and establishments which are already functioning on some Railway stations premises should be regularised by leasing and licensing arrangements and (c) the lands/ponds which could be utilised for agriculture and fishing should also be auctioned or given on lease higher values.

The Committee further desire that there should be complete transparency in allotment of Railway land for stalls and other purposes. In future all stalls at platforms should be auctioned.'

6. 109 153 Para No. 162 at page 115 under heading 'Passenger Amenities' has been reproduced under this para and consequently the existing para becomes sub para. Also add the following two sub paragraphs:

'The Committee also feel that fullest use of Information Technology would help the Railways in improving their public image and quality of service. Non-availability of accurate train running information is one of the common complaints among all railway users. Computerisation of control offices, control board, etc. would help in collection and dissemination of train running information on real time basis. Public domain data bases should be created. The data warehouses should be created for the use of MPs, MLAs, Government Departments, Tourists, Passengers, Travel Agents, Tour Operators, Freight Customers, Industrial Houses, Confederation of Industries, Chamber of Commerce, Project Consultants, Suppliers, etc.

The Committee also desire that urgent action should be taken on the following issues/suggestions:-

13. Safety of passengers

14. Proper policy for maintenance of Railway stations.

15. **Electrification of Railway stations**

16. **Computrised reservation facilities be provided at the remaining stations of all the district headquarters during the year 2001-02.**

17. **Top priority should be given to cleanliness in general compartments also.**

18. **Divisional Railway Users Consultative Committees and Zonal Railway Users Consultative Committee be constituted within three months and their meetings should be held regularly. Composition of these Committees should be displayed at the stations falling under their jurisdiction.**

19. **Provision of adequate dustbins at all the Railway platforms at a distance of every 15 yards and the words 'Use Me' be written on these dustbins in English, Hindi and regional language.**

20. **All guidelines/instructions/suggestions for rail users displayed at the Railway stations should be printed in regional language, Hindi and English.**

21. **Provision of adequate drinking water for every 3 coaches at all the Railway platforms.**

22. **Passengers travelling with valid tickets be treated as railway property so that their safety should come under the purview of RPF.**

23. **The Railways should make their purchases from handloom manufactures keeping in view the present financial position of the Handloom Industry, being in distress, due to which a number of weavers have committed suicide..**

24. **Stoppage of August Kranti Express at Godhra be considered.**

7. **109** **154** **At the end of existing para,** add **the following new paragraphs;**

'<u>Safety and Security</u>

155. The Committee note that there is total neglect of safety and security of Railway passengers in the trains. Dacoities, robberies and many other crimes in the running trains are increasing day by day. The Committee express their serious concern over the fact that there is no proper coordination among the Railways and the State Governments to combat these crimes and recommend that the Railway Board should convene a meeting of all the State Home Ministers, Chief Secretaries, Home Secretaries, DG/IG of RPF/GRP at Minister's level in order to establish proper coordination among them to combat these crimes. The outcome of the meeting should be intimated to the Committee.

The Committee also desire that information regarding dacoities, robberies and other crimes committed in the Railway premises/running trains during the last six months should be furnished to them along with action taken against erring GRP/RPF personnel.

Parcel Management

156. **The Committee have noted that private courier services are making huge profits where Railways are running into losses as far as parcel services are concerned. There is hardly any focus on the management of parcel services. Mixing of parcel business and loading 'hard parcels' in passenger trains is resulting in poor services to the passengers. A lot of inconvenience is caused due to delays in trains etc. The Committee consider that parcel service has tremendous scope for making vibrant business. Therefore, they think that there is considerable scope of running chartered parcel trains between major metros and desire that the parcel services be segregated from passenger business and a new system of running separate parcel trains from parcel terminals be started. They also suggest that the luggage vans of passenger trains should be confined for transportation of perishable commodities, newsprints, luggage and pets etc.**

Social Obligations

157. In order to have a view of the financial performance of the Indian Railways vis-à-vis that of other Railways in developed/developing countries, the Committee want to bring to the notice of the Government that the size of railway track in Germany for a population of 80 million is 40000 Kms against the Indian Railways network of 62759 Kms for a population of 1000 million. As mentioned in 2nd Report of Railway Convention Committee (1996), the support, the German Government gave to their Railways amounted to DM 12996 million against generation of internal resources of DM 30723 million by that Railway even after privatization of their railway with the consent of all Political Parties w.e.f. 1.1.94. At the same time, the responsibility for infrastructural development continued to be with the German Government which provided funds in the form of grants and interest free loans. If a new unprofitable line is to be constructed, the investment is made by the Government and is treated as grant. In case of running an unprofitable line, the railway is suitably compensated by the Government. Even investment on profitable lines is also funded by the Government and the same is treated as interest free loan to be returned in agreed terms.

French Railway is a Government Undertaking having an integrated structure, with considerable autonomy in functional management. The internal structure continues to be mostly departmental oriented. Unprofitable projects, if imposed on that Railway, are to be financed wholly by the Government. Similarly, unprofitable local services and branch lines are subsidized by the local Government. However, the Railway is expected to run profitably in regard to freight, long distance passenger operations etc. Inspite of the above provisions, the Committee find that the French Railway was not able to make profit and on the contrary, it has been incurring heavy losses. The loss suffered by the French Railway was 6.5 billion FF in 1995 even after getting subsidy of 14.51 billion FF and infrastructure subsidy of 12.4 billion FF. However, w.e.f. 1 January, 1997, a new system has come into existence which brought about major structural changes but there has been no attempt to privatize French Railway as unions are very strong in France and are not in favour of it.

The British Railways were also given service obligation grant of 808.9 million Pounds in 1993-94 to sustain the quality and level of passenger business on Provincial Services and Net Work South East.

The Peoples Republic of China is a Country with an extensive territorial expansion and where the distribution of natural resources and the economic development is uneven. The operating network of Chinese Railway has increased from 21000 Kms in 1949 to 60000 Kms. by the end of 1995 with 29.6% being double track. The diesel and electric traction amounting to 32.2% and 13% respectively in 1990 has increased to 40% for diesel and 18.3% for electric by 1995. Although the diesel and electric locomotive account for 69% of all locomotives in stock, yet they carry 85.9% of all transportation traffic. By 1994 passenger and Cargo transportation reached 57.9% and 68.8% respectively of the entire transportation volume.

Keeping in view the experience of different World Railways, the Committee have come to the conclusion –

- that the policy on market borrowings at high interest rate is highly detrimental to the health of Indian Railways and needs to be discontinued;
- development of infrastructure for the Indian Railways should be wholly financed by the Government as for the development of Roads, Airports and Ports, Government do provide 100% budgetary support;
- non-profitable/strategic lines should be financed in the form of grants and other profitable projects need to be financed in the form of dividend free loans;
- unprofitable short distance passenger operations, which are universally compensated, should be compensated by the Union Government;
- social burden imposed on Railways should be adequately compensated either by the Government or by the respective Ministries;

- there should be rapid extension and upgradation of Rail Network to meet the demands of the Indian economy expected to grow at the rate of 7%. Accordingly growth rate of Railways should be 10 to 15% if the demands of the economy are to be met and the market share of Railways is to be improved.'

And consequently subsequent paragraphs be renumbered.

8.	109	154		At the end of existing para, **add** the following sub para**:**

'The Committee also find that the Railways have proposed Rs. 2654.94 crore for diesel oil consumption in BE 2001-02 against Rs. 1738.89 crore in 1999-2000 (actual) due to increase in consumption of diesel and its price. The quantity of HSD oil increased from 51.34 thousands KLs (as on 31st March, 1995) to 143.85 thousands KLs (as on 31st March, 1999) which resulted an increase of 180.19 per cent. This gives a clear indication that the Railway is the main user of HSD oil. The Government of India have imposed a levy of Rs. 1 per liter on petrol in 1998-99 and subsequently in 1999-2000 an additional duty of Rs. 1 per liter was also levied on imported and Domestic High Speed diesel and the revenue therefrom is being transferred to Central Road Fund. Though the Rail transport as compared to the road transport is five to six times more energy efficient, cost effective and eco-friendly the Railways are getting only 12.5 per cent of 50 per cent of cess on HSD and the entire cess collected on petrol for construction of ROB/RUB and safety works at the unmanned level crossings. Keeping in view the financial constraints being faced by the Railways, even in meeting their infrastructural requirements, the Committee recommend that the Railways should at least be paid one third of the total cess so that it could help them to meet their expenditure on ongoing projects and safety works.'

9.	110	155	16	**Substitute** for 'As non-renewal….. on priority basis:

'The Committee also find that the present management of Depreciation Reserve Fund and allocation of funds for various renewal activities needs a thorough review. While a separate Plan Head exists for renewal of track, no such segregation has been done for renewal of other assets, such as signalling, telecom, OHE, Workshop and Sheds, Service Buildings & staff quarters, etc. The present method of assessment of track renewal requirement and arrears does not provide adequate insight to management in either estimating the requirement or liquidating the arrears in a time-bound manner. Despite enhanced allocations to track renewals, the physical arrears have only increased. There appears to be certain deficiencies in identification and clearance of track renewal arrears. As non-renewal of old track is hazardous from the Safety point of view, the Committee desire that the backlog should be wiped out first on priority basis.'

10.	110	155		At the end of existing sub paragraph, **add** the following new sub paragraph:

'The Committee further note that investments on safety in Railways are being given lower priority compared to investments on unviable projects. The need of the hour is to consolidate the existing network and make it more safe. Further investments for renewal and safety should get higher priority than all other investments. The Committee, therefore, desire that the Railway

				Board should prepare a blue print for undertaking safety projects in a time-bound manner as recommended by Railway Safety Review Committee and for that purpose Government may examine to provide one time grant to the Railways for improving safety.’
11.	111	156	First line of sub paragraph	**Read** ‘The Committee are surprised over the fact that’ for ‘The Committee are dismayed ……. out of these’
12.	111	156		Add the following at the end of existing subparagraph: **‘**The Committee also desire that all these thirteen projects be placed before the Planning Commission, Expanded Board and Cabinet Committee on Economic Affairs and their opinion be placed before the Committee.’
13.	112	158		At the end of existing para, **add** the following sub paragraph: **‘**The Committee also note that the Railways have been suffering huge losses on about 110 uneconomic branch lines. The traffic level on these lines is low and do not justify the running of the present type of rail services which are primarily meant for moving masses and high density of traffic. In other countries, successful experiments have been made for either making such lines as financially viable or reducing the losses by giving the operation to private operators on a long-term concession. While government retains the ownership, the private sector brings about the efficiency, provides a desired service level and markets for more traffic. The Committee desire that a pilot project should be started on experimental basis on some of the uneconomic lines.’
14.	114	161		At the end of existing sub para, **add** the new following paragraph: **165.** **‘**During the discussions, the Committee have felt that in many respects the lack of true accountability and enforcement of efficient standards of performance and problems such as dividend to be paid to the General Budget and claim for adequate subvention from the Ministry of Finance are due to prevalence of anti etiquetted colonial organisation structure symbolised in the Railway Board. It was therefore felt that in order to modernize the Railway structure, the issue of abolition of Railway Board and replacing it by a more state-of-the-art structure such as converting it into a full fledged Ministry and making the Railway Board a part of General Budget or corporatising the Railway system by creating a holding joint stock Corporation and converting the Zonal Railways into independent operating subsidiary corporations could be considered. The Committee decided to hold more meetings, if necessary, to formulate their ideas on the subject and make appropriate recommendations.’ And consequently the subsequent paragraphs be renumbered.

15.	115	162	Existing paragraph has been shifted and reproduced under paragraph No. 153 under the heading 'Passenger Services/Amenities'
16.	115	163	At the end of existing paragraph, add the following new paragraph: 167. 'The Committee desire that the suggestions made by the Members of the Committee as appended to the Report be implemented in letter and spirit.'

Appendix

STATEMENT SHOWING THE SUGGESTIONS MADE BY THE MEMBERS OF THE STANDING COMMITTEE ON RAILWAYS DURING THE CONSIDERATION OF DRAFT NINTH REPORT ON DEMANDS FOR GRANTS (2001-02) OF THE MINISTRY OF RAILWAYS ON 9.4.2001

Name of the Member		Suggestions
Shri Manikrao Hodlya Gavit, M.P.	1.	Doubling of Surat-Bhusaval Railway line be done.
	2.	Stoppage of Tapti-Ganga and Navjeevan Express at Nawapur on Surat-Bhusaval line be made.
Shri M. Chinnasamy, M.P.	1.	Scrap the Railway Board Circular highlighting that no toilet facility be provided in the trains which run within 200 kms. distance such as DMU service between Karur-Tiruchirapalli.
	2.	A separate Express train from Erode to Chennai via Karur and Tiruchirapalli be introduced.
	3.	Necessary terminal facility at Karur Junction be provided.
Capt. (Retd.) Inder Singh, M.P.	1.	New line project from Rohtak to Rewari via Jhajhar, being District Headquarter, be constructed.
Dr. Madan Prasad Jaiswal, M.P.	1.	Construction of ROB at Bagat-Chhitoni has already been delayed by IRCON. Its completion should be expedited and responsibility on IRCON should be fixed over undue delay.
Shri Prabhat Samantaray, M.P.	1.	Computerised Railway reservation facility at Kendrapara being District Headquarter under Khurda Division on South Eastern Railway be provided.
Shri Shyam Lal, M.P.	1.	Gauge conversion of Orihar (Ghazipur)-Jaunpur (Purvanchal) Meter Gauge line be done.
Dr.(Smt.) Chandrakala Pandey, M.P.	1.	Retiring room at Sealdah station with toilet facilities be constructed.
	2.	Provision of ladies toilets in local trains whose journey period is more than four hours be made.

Shri Jagdambi Prasad Yadav, M.P.	1.	Reservation facility for Railway reservation at Hadgodda, being District Headquarter, be provided.
	2.	New line from Mandarhill to Dumka (New State of Jharkhakd) be constructed.
Smt. Sushila Saroj, M.P.	1.	Lucknow-Balamou Train via Beniganj -Nimsar-Mishrik be extended upto Sitapur.
	2.	Upgradation of approach road and Tin shed at Beniganj/Sitapur platforms be done.
	3.	Provision of yard at Sitapur be made.
Shri Rajo Singh, M.P.	1.	Ismalpur-Daniyava-Biharsarif -Barbigha Railway line be extended upto Sekhpura.
	2.	Computerised reservation facilities at Kuil, Lakhisarai, Navada and Sekhpura be provided.
	3.	IVRS at Kuil, Lakhisarai, Navada and Sekhpura stations be provided.
	4.	Timing of Patna-Delhi Rajdhani Express be changed so that it may reach Delhi at 0900 hrs. so that Members of Parliament may attend Parliamentary sessions.
	5.	Adequate passenger amenities at all the Railway stations of Danapur Division be provided.
	6.	New Express train from Gaya to Howrah via Navada, Sekhpura and Kuil be introduced.
	7.	Safety and security of rail passengers on Gaya-Kiul line be strengthened.
Shri Salkhan Murmu, M.P.	1.	Gauge conversion of Rupsa-Bangriposi Meter Gauge line into Broad Gauge be done.