19

STANDING COMMITTEE ON RAILWAYS
(2017-18)

(SIXTEENTH LOK SABHA)

MINISTRY OF RAILWAYS
(RAILWAY BOARD)

NINETEENTH REPORT

DEMANDS FOR GRANTS

(2018-19)

सत्यमेव जयते

LOK SABHA SECRETARIAT

NEW DELHI

March, 2018/ Phalguna, 1939 (Saka)

S.C.R. No.215

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(2018-19)

Presented to Lok Sabha on 06.03.2018

Laid in Rajya Sabha on 06.03.2018

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NEW DELHI

March, 2018/ Phalguna, 1939 (Saka)

CONTENTS

		PAGE
COMPOSITION OF THE COMMITTEE		(iii)
INTRODUCTION		(v)
	REPORT	
	PART I	
1	Introductory	1
2	Demands for Grants (2018-19)	4
3	Financial Outline 2017-18 and 2018-19	6
4	Annual Plan - 2018-19	
	Resources	7
	Allocation	12
5	Revenue Receipts	16
6	Railway Expenditure	29
7	Railway Funds	33
8	Rashtriya Rail Sanraksha Kosh (RRSK)	36
9	Operating Ratio	38
10	Plan Heads	
	Financial Performance	40
	Physical Performance	41
11	Capacity Enhancement	
	New Lines	42
	Gauge Conversion	43
	Doubling	43
	Rolling Stock	44
	Passenger Amenities	47
12	Budget Announcement	49
13	Merger of Rail Budget with Union Budget: After effects	51
14	Vacancy in Railways	54
15	Land Management in Indian Railways	54

	PART II	
	Recommendations/Observations	61
	APPENDICES	
I.	Minutes of the sitting of the Standing Committee on Railways held on 20.02.2018	76
II.	Minutes of the sitting of the Standing Committee on Railways held on 05.03.2018	79

COMPOSITION OF STANDING COMMITTEE ON RAILWAYS (2017-18)

Shri Sudip Bandyopadhyay - Chairperson

MEMBERS

LOK SABHA

2. Shri Ram Tahal Choudhary
3. Shri Sudheer Gupta
4. Shri Chandra Prakash Joshi
5. Dr. Ramshankar Katheria
6. Shri Ramesh Chander Kaushik
7. Shri Ram Mohan Naidu Kinjarapu
8. Shri Gajanan Kirtikar
9. Shri P.K. Kunhalikutty
10. Shri Balabhadra Majhi
11. Shri K.H. Muniyappa
12. Shri A.T. Nana Patil
13. Sadhvi Savitri Bai Phule
14. Shri Vijaya Kumar S.R.
15. Shri R. Radhakrishnan
16. Shri Mekapati Rajamohan Reddy
17. Shri Lakhan Lal Sahu
18. Shri Rajeev Satav
19. Shri G.M. Siddeshwara
20. Shri Ganesh Singh
21. Shri Uday Pratap Singh

RAJYA SABHA

22. Shri A.K. Antony
23. Shri Shwait Malik
24. Shri Satish Chandra Misra
25. Shri Mukut Mithi
26. Shri Garikapati Mohan Rao
27. Shri T. Rathinavel
28. Shri Bashistha Narain Singh
29. Mahant Shambhuprasadji Tundiya
30. Shri Motilal Vora
31. Shri Darshan Singh Yadav

Constituted w.e.f. 01.09.2017 vide Lok Sabha Bulletin Part II No. 5837 dated 26.09.2017.

LOK SABHA SECRETARIAT

1.	Smt. Abha Singh Yaduvanshi	-	Joint Secretary
2.	Shri Arun K.Kaushik	-	Director
3.	Shri Ram Lal Yadav	-	Deputy Secretary
4.	Dr. Mohit Rajan	-	Committee Officer

INTRODUCTION

I, the Chairperson, Standing Committee on Railways (2017-18) having been authorised by the Committee to submit the Report on their behalf, present this Nineteenth Report on 'Demands for Grants (2018-19) of the Ministry of Railways'.

2. This Report is based on facts and figures submitted by the Ministry of Railways and the depositions made by the representatives of the Ministry of Railways (Railway Board) before the Committee on 20.02.2018. The Committee considered and adopted the Report at their sitting held on 05.03.2018. Minutes of the related sittings are given in the Appendix to the Report.

3. The Committee wish to express their thanks to the officers of the Ministry of Railways (Railway Board) for appearing before the Committee and furnishing the information that the Committee desired in connection with the examination of the Demands for Grants (2018-19). They would also like to place on record their appreciation for the assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

4. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Part-II of the Report.

New Delhi;
05, March, 2018
14 Phalguna, 1939 (Saka)

SUDIP BANDYOPADHYAY
Chairperson
Standing Committee on Railways

REPORT

PART – I

INTRODUCTORY

1. Indian Railways (IR) is one of the world's largest rail network with 67,368 route kilometres of route length. It has 61,680 Route kms. of broad gauge, 3479 kms. of metre gauge and 2209 kms. of narrow gauge as on 31st March, 2017. With its more than 150 years old history, IR is a State owned public utility of the Government of India under the Ministry of Railways. As a national common carrier transporting passenger and goods over its vast network, Indian Railways have always played a key role in India's social and economic development. It is a cheap and affordable means of transportation for millions of passengers. As a carrier of bulk freight *viz.* ores and minerals, iron and steel, cement, mineral oils, food grains and fertilizers, containerized cargo etc., the importance of Indian Railways for agriculture, industry and the common man is well recognized. On an average, Indian Railways carried 22.24 million passengers and 3.04 million tonnes of freight each day.

2. Today India is moving towards having a multi modal transportation system. The idea is to put all modes of transport together and outline a matrix of Roadways, Waterways, Airways and Railways to make the conveyance more convenient for the people of the country. In this milieu of various modes of transportation, Railways play a key role in term of providing reasonably fast, economic and safer mean of conveyance. Railways enjoy many advantages like wider coverage, more reliable, environment friendly and last but not the least, longer journeys with less time and expenses. Railways have been widely accepted as well as respected among the citizens as popular mode of transport since its inception. By merger of Railway Budget with the General Budget, the Government would be able to putforth the idea of modal transportation to implementation.

3. Railways have grown manifolds since its inception in 1853. Today, Indian Railways are a departmental commercial undertaking of the Government of India under the overall control of the Railway Board. The Indian Railway system is managed through 17 zones and 68 operating divisions. There are eight production units

engaged in the manufacture of rolling stock and other related items and four other units relating to electrification, construction, alternate fuel and National Academy of Indian Railways. The Research, Designs and Standards Organization (RDSO) is the sole research and development wing of the Indian Railways, functioning as the technical advisor and consultant to the Ministry, Zonal Railways and Production Units with the status of a Zonal Railway. The Indian Railways have 14 Public Sector Undertaking/affiliated organisations and two autonomous bodies/authorities working under the overall control of the Ministry of Railways. A nation-wide rail infrastructure covering tracks, stations, sidings, freight terminals, locomotives, coaches, wagons and infrastructure inputs like signalling, telecom, electrical installations, maintenance workshops, etc., provide the best of railway service. Organization structure of Indian Railways can be understood from the diagram as under:

ORGANIZATION STRUCTURE

MINISTER OF RAILWAYS

MINISTER OF STATE OF RAILWAYS (S)

MINISTER OF STATE OF RAILWAYS

RAILWAY BOARD

CHAIRMAN, RAILWAY BOARD

- MEMBER TRAFFIC
  - DIRECTOR GENERAL/RPF
- MEMBER STAFF
  - DIRECTOR GENERAL/RHS
  - DIRECTOR GENERAL/PERS
- MEMBER ENGINEERING
- MEMBER TRACTION
- SECRETARY
  - ESTT. MATTERS
  - ADMN. MATTERS
- MEMBER ROLLING STOCK
- FINANCIAL COMMISSIONER
- DIRECTOR GENERAL/S&T
- DIRECTOR GENERAL/RS

ZONAL RAILWAYS (OPEN LINE)

GENERAL MANAGERS

CENTRAL
EASTERN
EAST CENTRAL
EAST COAST
METRO**
NORTHERN
NORTH CENTRAL
NORTH EASTERN
NORTHEAST FRONTIER
NORTH WESTERN
SOUTHERN
SOUTH CENTRAL
SOUTH EASTERN
SOUTH EAST CENTRAL
SOUTH WESTERN
WESTERN
WEST CENTRAL

PRODUCTION UNITS

GENERAL MANAGERS

CHITTARANJAN LOCOMOTIVE WORKS

DIESEL LOCOMOTIVE WORKS

INTEGRAL COACH FACTORY, CHENNAI

RAIL COACH FACTORY, KAPURTHALA

RAIL WHEEL FACTORY, YELAHANKA

MODERN COACH FACTORY, RAE BARELI

CAO (R) *

DIESEL LOCO MODERNIZATION WORKS/ PATIALA

RAIL WHEEL PLANT, BELA

OTHER UNITS

GENERAL MANAGERS

CENTRAL ORGANIZATION FOR RAILWAY ELECTRIFICATION

NF RAILWAY (CONSTRUCTION)

CAO (R) *

CENTRAL ORGANIZATION FOR MODERNIZATION OF WORKSHOPS (COFMOW)

INDIAN RAILWAY ORGANIZATION FOR ALTERNATE RUELS (IROAF)

DIRECTOR GENERAL

NATIONAL ACADEMY OF INDIAN RAILWAYS, VADODARA

DG & EX-OFFICIO GM

RDSO, LUCKNOW

CPSE/CORP

BCL
BSCL
BWEL
CONCOR
DFCCIL
IRCON
IRCTC
IRFC
KMRCL
KRCL
MRVC
RCIL
RITES
RVNL

Autonomous Bodies/ Authorities

CRIS
RLDA

** METRO RLY, KOLKATA

* CHIEF ADMINISTRATIVE OFFICER (RAILWAYS)

DEMANDS FOR GRANTS (2018-19)

4. The estimates of expenditure from the Consolidated Fund included in the Budget Statement and required to be voted by the Lok Sabha are submitted in the form of Demands for Grants. After merging the Railway Budget with the General Budget from the budget year 2017-18, the Railway receipts and expenditure became part of the documents of General Budget. The expenditure of the Railways is a part of Demands for Grants of the Ministry of Finance like other Ministries/Departments of Government of India. The entire expenditure of Railways is now covered in 'Demand for Grant No. 80-Ministry of Railways' with sub-sections as 'Revenue' and 'Capital'. The Railways' 'Demands for Grants' are presented to Parliament and got passed from there by the Ministry of Finance. The Railways, like other Ministries/Departments, present a 'Detailed Demand for Grant' a few days after presentation of the Budget as is being done by other Ministries.

5. There are 16 sub major heads under Demands for Grants of Railways. 1 & 2 sub major heads represent expenditure on Railway Board, surveys, studies, centralized training institutes, Railway Recruitment Boards and other attached and subordinate organisations, etc. while sub major heads 03 to 13 represent mainly the Working Expenses of the zonal railways, cater to various activities. Demand under sub major head 14 stands for appropriation of Railway revenue left after meeting expenditure to various Railway Funds. The payment to be made to General Revenue on account of Dividend and repayment of Loan taken along with interest etc. are provided under sub major head no.15. The capital expenditure on expansion & modernisation of Railways was provided under sub major head no.16. Each sub major head of Demand for Grant has further been divided into Minor-heads and Sub-heads representing further division of the activity.

6. Demands pertaining to the Ministry of Railways for the year 2018-19 were laid in the Lok Sabha on 6 February, 2018. The estimated and targeted financial performance of Railways in Revised Estimate (RE) for current Financial Year *i.e.*, 2017-18 and Budget Estimate (BE) for 2018-19 have been presented that include total revenue receipts, revenue and works expenditure, distribution of excess of receipts over expenditure and position of various Funds, *viz.*,

Depreciation Reserve Fund, Development Fund, Pension Fund, Capital Fund, Railway Liability Reserve Fund and Railway Safety Fund.

7. The Demands for Grants of the Ministry of Railways for 2018-19 are given in the following statement:-

(In thousands of rupees)

Sl. No.	Details	Total Demand (2018-19)	
		Voted	**Charged**
	Revenue		
1.	Indian Railways – Policy Formulation, Direction, Research, and other Miscellaneous Organization	1997,08,00	2,93,00
2.	General Superintendence and Services on Railways	8221,57,62	1,52,44
3.	Repairs and Maintenance of Permanent Way and Works	14618,50,59	35,35
4.	Repairs and Maintenance of Motive Power	6744,83,09	6,05
5.	Repairs and Maintenance of Carriages and Wagons	15824,71,67	1,05
6.	Repairs and Maintenance of Plant and Equipment	8570,31,20	23,30
7.	Operating Expenses – Rolling Stock and Equipment	13677,79,83	16,55
8.	Operating Expenses – Traffic	27105,17,68	10,15
9.	Operating Expenses – Fuel	28269,82,07	--
10.	Staff Welfare and Amenities	7048,85,74	80
11.	Miscellaneous Working Expenses	6897,78,04	389,66,41
12.	Provident Fund, Pension and Other Retirement Benefits	50608,62,47	87,90
13.	Appropriation to Funds	61090,00,00	--
14.	Dividend to General Revenues, Repayment of loans taken from General Revenues and Amortization of Over-Capitalization	--	--
15.	Other Transport Services	2028,00,00	--
	Total Revenue	**252703,08,00**	**395,93,00**
	Capital		
16	Assets – Acquisition, Construction and Replacement	193103,31,00	167,46,00
	Total	**445806,39,00**	**563,39,00**

8. Under Minor Head of Detailed Demands for Grants 2018-19, Budget Estimate 2017-18 for Kolkata Metro Rail Corporation Ltd. has been revised downward to ₹1500

cr. (RE 2017-18) from ₹1937 cr. (BE 2017-18). Further ,for the year 2018-19, Budget Estimate has been kept at ₹1100 cr. even lesser by ₹400 cr. (26%) than RE (2017-18). In this regard, the representatives of the Ministry submitted as under:

> "Sir, as you would be fully aware about Kolkata Metro, there is a construction phase of East-West Corridor. Earlier on, the construction was at a much higher pace. But most of the overlap things have already been done. So, on the basis of projection, whatever they have given, we have been keeping it, plus KMRCL is part of us. We are also having 80 per cent equity holding in that. It will not be done as an investment to PSU. So, it will go."

FINANCIAL OUTLINE 2017-18 & 2018-19

9. The Budget at a Glance for the year 2018-19 pertaining to the Ministry of Railways is as follows:-

(₹ in crore)

Description	RE 2016-17	Actuals 2016-17	BE 2017-18	RE 2017-18	BE 2018-19
1.Gross Traffic Receipts	**172155.00**	**165292.2**	**188998.37**	**187225**	**200840**
2. Miscellaneous Receipts (a) Subsidy from General Revenues towards dividend relief & other concessions (b) Other Miscellaneous Receipts (c) Total Miscellaneous Receipts	 150.00	-- 90.28 90.28	-- 500.00 500.00	-- 200 250	-- 200 250
3. Total Receipts	**172305.00**	**165382.48**	**189498.37**	**187425**	**201090**
4. Net Ordinary Working Expenses	122760.00	118829.61	129750.00	130200	138000
5. Appropriation to Pension Fund	35000.00	35000	43600.00	44100	47500
6. Appropriation to Depreciation Reserve Fund	5200.00	5000	5000.00	5000	500
7. Total Working Expenses [4+5+6]	**162960.00**	**159029.61**	**178350.00**	**179300**	**186000**

8. Miscellaneous Expenditure (a) O.L.W.R (b) Other Miscellaneous Expenditure (c) Total Miscellaneous Expenditure	 1650.00	-- 1439.87 1439.87	-- 2200.00 2200.00	-- 1700 1700	-- 2100 2100
9. Total Expenditure (7+8)	**164610.00**	**160469.48**	**180550.00**	**181000**	**188100**
10. Net Revenue [3-9]	**7695.00**	**4913**	**8948.37**	**6425**	**12990**
11. Dividend Payable to General Revenues	**--**	**--**	**--**	**--**	**--**
12. Excess/Shortfall[10-11]	**7695.00**	**4913**	**8948.37**	**6425**	**12990**
13. Appropriation to Development Fund	2515.00	2515	2000.00	1500	1000
14. Appropriation to Capital Fund	5180.00	2398	5948.37	4925	6990
15. Appropriation to Debt Service Fund	--	--	--	--	--
16. Appropriation to Rastriya Rail Sanraksha Kosh			1000.00	--	5000
17. Operating Ratio	**94.9%**	**96.5%**	**94.57%**	**96%**	**92.8%**

10. It may be seen from the above that Budget Estimates under Gross Traffic Receipts for the year 2018-19 have been placed at ₹ 200840 crore involving an increase of ₹13615 crore over the Revised Estimates 2017-18. Total expenditure has been placed at ₹ 188100 Cr at BE 2018-19 with an increase of ₹ 7100 Cr in comparison to ₹ 181000 Cr at RE 2017-18.

11. Net Revenue has also been reduced by ₹2523 crore at RE 2017-18 from ₹8948.37 crore at BE 2017-18 to ₹6425 crore at RE 2017-18. Net Revenue of ₹12990 crore has been targeted for the year 2018-19 at BE. Operating Ratio has also been revised upward from 94.57% at BE 2017-18 to 96% at RE 2017-18 and has been targeted at 92.8% at BE 2018-19.

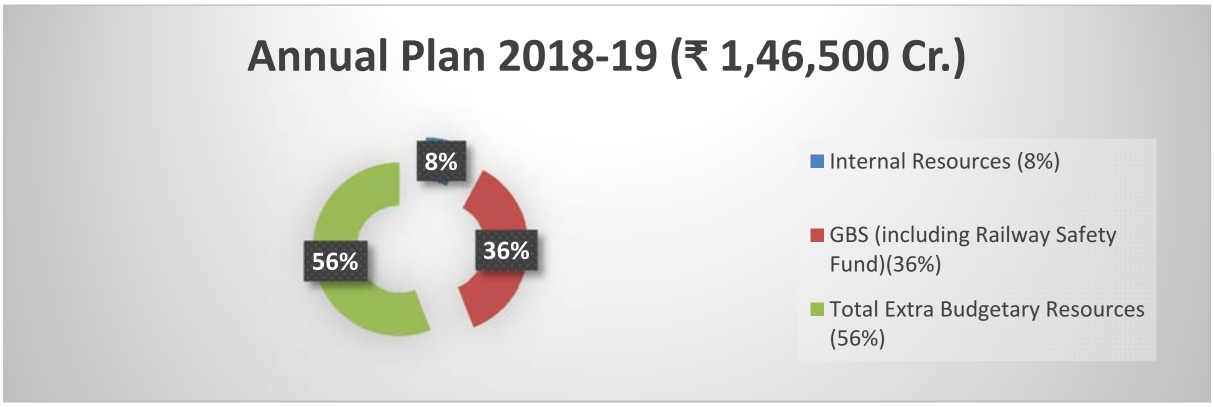
ANNUAL PLAN 2018-19

Resources

12. The provision in Capital section of Demand is for expenditure on assets, acquisition, construction and replacement, whether met out funds to be obtained from the general exchequer or internal resources of the Railway viz. Depreciation Reserve

Fund, Development Fund, Capital Fund, Railway Safety Fund and Rashtriya Rail Sanraksha Kosh. The Charged expenditure is for payment in satisfaction of court decrees and arbitration awards where made into rule of the court.

13. Total Annual outlay for capital expenditure for the year 2018-19 has been estimated at ₹ 1,46,500 crore comprising Gross Budgetary Support of ₹ 53,060 crore, internal resources of ₹11,500 crore and Extra Budgetary Resources of ₹81940 crore consisting of Marketing Borrowings, Public Private Partnership (PPP) and institutional financing. The representatives of the Ministry during the deliberation apprized the Committee that it is the highest ever figure of CAPEX on Indian Railways.



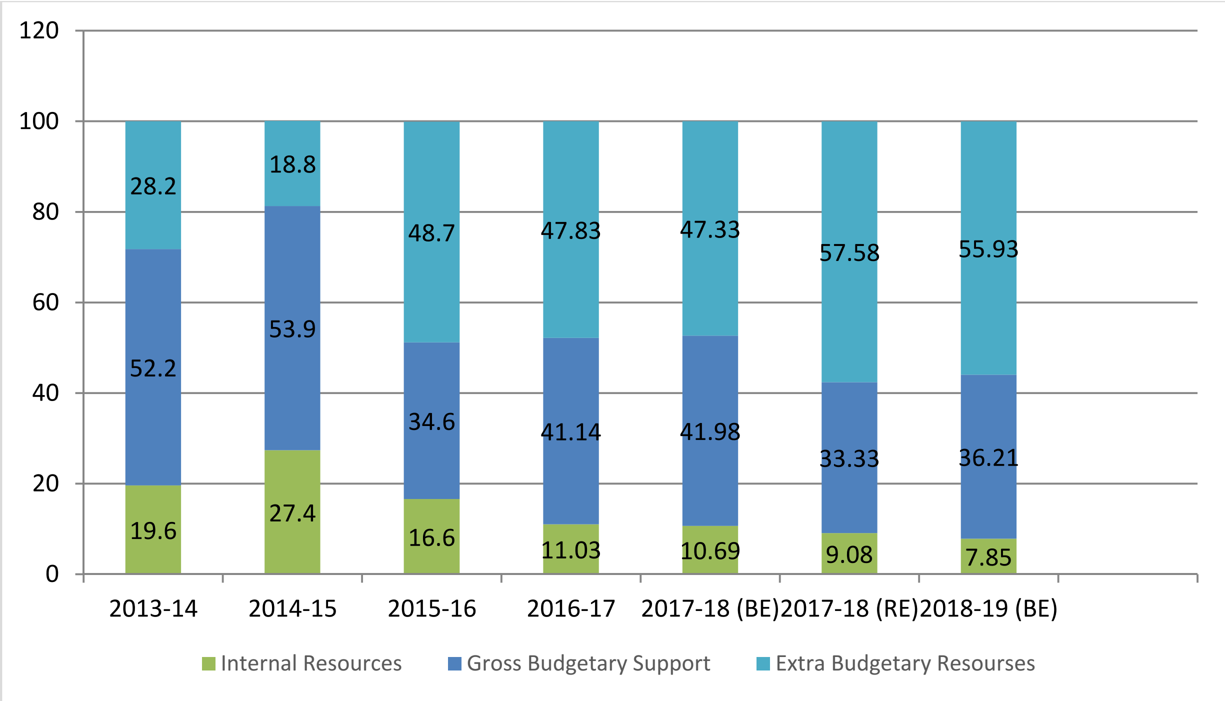
14. The financing of Annual Plan proposed in 2018-19 and its comparison with 2017-18 and 2016-17 is given as under:- **(₹ in crore)**

Sl. No.	Head	Annual Plan							
		2015-16		2016-17			2017-18		2018-19
		RE	Actuals	BE	RE	Actuals	BE	RE	BE
1.	Budgetary Support	32,000	35008	34,220	35575	34500	44332	28625	40880
2.(i)	Railway Safety Fund	2661	2601	10780	10780	10732	668	1375	2180
(ii)	RRSK						10000	10000	10000
3	**Gross Budgetary Support (GBS) [1+2(i+ii)]**	**34661**	**37609**	**45000**	**46355**	45232	**55000**	**40000**	**53060**
4.	**Internal Resources**	**16,638**	**16845**	**16,675**	**14715**	**12125**	**14000**	**10900**	**11500**
5.	Market borrowing under extra budgetary support	11,848	14097	20,000	18000	14279	21686	24786	28500
6.	Funding through PPP	27,269	15081	18,340	21000	26834	22000	24000	27000
7.	EBR (institutional finance)	9584	9888	20,985	20930	11465	18314	20314	26440
8.	**Total EBR (5+6+7)**	**48700**	**39066**	**59325**	**59930**	**52578**	**62000**	**69100**	**81940**
Total Plan Size (3+4+8)		**1,00,000**	**93520**	**1,21,000**	**121000**	**109935**	**131000**	**120000**	**146500**

15. It may be seen from the above that for 2016-17 Actuals, the capital expenditure was ₹109934.87 crore, comprising of ₹45231.63 crore of the Budgetary Support, ₹12124.57 crore of Internal Resources and ₹52578.66 crore of Extra Budgetary Resources. In Revised Estimates 2017-18, the Capital expenditure was ₹120000 crore, comprising of ₹ 40000 crore of the Budgetary Support (which included ₹100 crore from Nirbhaya Fund), ₹10900 crore of Internal Resources and ₹69100 crore of Extra Budgetary Resources.

16. The total plan outlay for the year 2018-19 has been increased to ₹1,46,500 Cr from RE 2017-18 *i.e.*, Rs 1,20,000 Cr. while the total plan allocation for 2017-18 (₹120000 Cr. RE 2017-18) was revised to ₹121000 Cr. (RE 2016-17). In this regard, the Committee were informed that based on infrastructural requirements of railways and traffic projections for the year 2018-19, the plan outlay has been kept at ₹146500 Cr. The major heads where the allocations has been enhanced are – new lines, gauge conversion, doubling, rolling stock, track renewal, electrification projects, passenger amenities and metropolitan transport projects. The actual expenditure in 2016-17 was ₹1,09,935 cr, against Revised Estimates of ₹1,21,000 cr. The Budget Estimates 2017-18 were fixed at ₹1,31,000 cr indicating 19% growth over Actuals of 2016-17 and 8% growth over RE 2016-17.

17. The trend of financing the annual plan since 2013-14 has been summarized in the following figure:



18. There has been a sharp decline observed in generation of Internal Resources *i.e.*, Actuals 2016-17 are at ₹12125 Cr compared to ₹14715 Cr at RE 2016-17. Further, it has been downsized to ₹10900 Cr at RE 2017-18 compared to Actuals of 2016-17 (₹12125 cr.) and for BE 2018-19, it has been kept at ₹11500 Cr only. When asked to explain the reasons for a meager increase during 2017-18 for internal resources, it has been stated that Internal resource is the surplus of revenue earnings left after meeting the revenue expenditure. While the revenue expenditure of Railways has risen steeply after 2015-16 due to implementation of 7th CPC recommendations for railway employees and pensioners as per the Government Policy, the rising pace could not be maintained in growth of traffic earnings which are facing stiff competition from other modes of transport. It is worth mentioning that whenever implementation of recommendations of Pay Commissions takes place, reduction has always been seen in the internal resource generation. However, as an ongoing process, Railways are taking all measures to maximise earnings and minimise expenditure so as to generate higher internal resources.

19. For BE 2018-19, EBR has been kept at ₹81940 Cr. as compared to RE 2017-18 *i.e.*, ₹69100 Cr. In this regard, the Committee asked the Ministry to furnish reasons for emphasising on Budgetary Support and Extra Budgetary Resource (EBR) for funding the Annual Plan rather than increasing Internal Resources for capital funding and also to state the interest liability on Railways for extra borrowings. The Ministry, in their written replies, submitted that higher outlays have been provided through Budgetary Support and Extra Budgetary Resources to meet increasing requirement for project execution and procurement of rolling stock, as internal resource generation was not adequate for Plan financing, due to adverse impact of implementation of 7th Central Pay Commission recommendations, which is continuing since 2016-17. However, higher provision of ₹11500 cr has been made in 2018-19 under internal resources, compared to ₹10,900 cr of RE 2017-18.

Further, in Budget Estimates 2018-19, outlay from Extra Budgetary Resources has been kept at ₹81,940cr (₹28,500 cr from market borrowings through Bonds, ₹26,440 cr from Institutional Financing and ₹27000 cr as investment under EBR(Partnerships). The higher outlays have been kept in order to meet increasing requirement for project execution and procurement of rolling stock. The estimated interest liability for extra borrowings in 2018-19 in respect of Rolling Stock and EBR (Institutional Finance) will be ₹13,435 cr (for Rolling Stock over a period of 15 years and for EBR (IF) over a period of 30 years).

20. As regards the estimated interest liability for extra borrowing in 2018-19 in respect of rolling stock and EBR-IF, the details are as under;

Category	RE 17-18	Assumed interest rate*	Total interest liability	BE 18-19	Total interest liability	Extra interest liability**
	A	B	C	D	E	F=D-B
RSP	24786	7.65%	15758	28500	18119	2361
EBR-IF	20314	7.50%	36723	26440	47797	11074
Total						13435

* Interest rates assumed are the average rate for FY 2016-17

** For rolling stock over a period of 15 years and EBR-IF over a period of 30 years.

21. On being asked about the various steps being taken by the Railways in order to increase the Internal resources, the Ministry in their written reply, submitted that

Railways have initiated various steps to rationalize freight policies which have shown positive results. In 2017-18 upto December, total additional traffic of 15.91 MT has been attracted to rail from different initiatives like automatic freight rebate schemes in traditional empty flow directions, discount for loading in bagged consignment in open and flat wagons short lead traffic station to station rates etc., which has resulted in an increase of 8.39% in gross goods earnings on originating basis upto December, 2017 in comparison to the corresponding period of last year.

Allocation

22. The plan (head-wise) allocations of the Annual Plan for the year 2018-19, of ₹1,46,500 crore are tabulated below:

Name of Plan Head	**Outlay (Crore)(BE 2018-19)**
New Lines (Construction)	28490
Gauge Conversion	4016
Doubling	17359
Traffic Facilities-Yard Remodelling & Others	2852
Computerisation	540
Railway Research	50
Rolling Stock	32007
Leased Assets-Payment of Capital Component	9183
Road Safety Works-Level Crossings	700
Road Safety Works-Road Over/Under Bridges	6300
Track Renewals	11450
Bridge Works	740
Signalling and Telecommunication Works	2025
Electrification Projects	6302
Other Electrical Works excl. TRD	1220
Traction Distribution Works	550
Machinery & Plant	650
Workshops Including Production Units	2579

Staff Quarters	353
Amenities for Staff	314
Passengers Amenities	5158
Inv. in Govt. Comm. Und.-Public Und.	1824
Inv. in non-Govt.Und. incl. JVs/SPVs	9477
Other Specified Works	660
Training/HRD	118
Inventories (Net)	200
Metropolitan Transport Projects	1651
New Lines (Const)-Dividend free projects	1900
Gross Capital Outlay	**148668**
Includes credits/recoveries	2168
Total Capital Outlay	**146500**

23. The Ministry brought to the notice of the Committee the major thrust areas and objectives of Annual Plan 2018-19 as under:-

"(i) Strengthening the railway network and enhancing Railways' carrying capacity have been a major focus of the Government. Railways' Capex for the year 2018-19 has been pegged at 1,46,500 crore. A large part of the Capex is devoted to capacity creation. 18,000 kilometers of doubling, third and fourth line works and 5000 kilometers of gauge conversion would eliminate capacity constraints and transform almost entire network into Broad Gauge.

(ii) There has also been significant improvement in the achievement of physical targets by Railways as well. We are moving fast towards optimal electrification of railway network. 4000 kilometers are targeted for commissioning during 2017-18.

(iii) Work on Eastern and Western dedicated Freight Corridors is in full swing.

(iv) Adequate number of rolling stock – 12000 wagons, 5160 coaches and approximately 700 locomotives are being procured during 2018-19. A major programme has been initiated to strengthen infrastructure at the Goods sheds and fast track commissioning of private sidings.

(v) A 'Safety First' policy, with allocation of adequate funds under Rashtriya Rail Sanraksha Kosh is cornerstone of Railways' focus on safety. Maintenance of track infrastructure is being given special attention. Over 3600 kms of track renewal is targeted during the current fiscal. Other major steps include increasing use of technology like "Fog Safe" and "Train Protection and Warning

System". A decision has been taken to eliminate 4267 unmanned level crossings in the broad gauge network in the next two years.

(vi) Redevelopment of 600 major railway stations is being taken up by Indian Railway Station Development Co. Ltd. All stations with more than 25000 footfalls will have escalators. All railway stations and trains will be progressively provided with wi-fi. CCTVs will be provided at all stations and on trains to enhance security of passengers. Modern trainsets with state-of-the-art amenities and features are being designed at Integrated Coach Factory, Perambur. First such train-set will be commissioned during 2018-19.

(vii) Mumbai's transport system, the lifeline of the City, is being expanded and augmented to add 90 kilometers of double line tracks at a cost of over ₹11,000 crore. 150 kilometers of additional suburban network is being planned at a cost of over ₹40,000 crore, including elevated corridors on some sections. A suburban network of approximately 160 kilometers at an estimated cost of ₹17,000 crore is being planned to cater to the growth of the Bengaluru metropolis.

(viii) Foundation for the Mumbai-Ahmedabad bullet train project, India's first high speed rail project was laid on September 14, 2017. An Institute is coming up at Vadodara to train manpower required for high speed rail projects."

24. Regarding the vision and focus area of Railways for the year 2018-19 and afterwards, the representatives of Railways submitted before the Committee as under:

"The vision is indeed grand……One part of the vision is to set the existing network…… The second part is growth. Growth basically implies the new high-speed railway which we are building. That is a part of the grand vision.

It brings about a paradigm shift in the way people look at Railways. We are building right now the Dedicated Freight Corridors– one for the Eastern Sector and one for the Western Sector. Modernising signalling of Indian Railways, this is also a part of our vision. Looking at suburban networks, right now we are looking at suburban networks of Mumbai and Bengaluru. We are making plans for improving those. Induction of LHB coaches has been mentioned repeatedly. From 1st of April this year, we will manufacture only LHB coaches. In due course of time, the LHB coaches will be the mode of travel. They will slowly replace ICF coaches."

25. The Ministry also informed the Committee about the Capex outlay for 2018-19 as under:

Capital Outlay BE 2018-19

(Rs in cr)

	Capital	Cap Fund	DRF	DF	RSF	RRSK	EBR(IRFC)	EBR(IF)	EBR(P)	Total
New Lines (Construction)	7775				1980			1805	16930	28490
Gauge Conversion	2341		5					1670		4016
Doubling	651						80	16628		17359
Traffic Facilities-Yard Remodelling & Others	1000		10	100		150		22	1570	2852
Computerisation	285		50	205						540
Railway Research			15	35		0				50
Rolling Stock	1037			50		500	28420		2000	32007
Leased Assets - Payment of Capital Component	4183	5000								9183
Road Safety Works-Level Crossings						700				700
Road Safety Works-Road Over/Under Bridges					200	4100			2000	6300
Track Renewals						11450				11450
Bridge Works	40					700				740
Signalling and Telecommunication Works	525					1500				2025
Electrification Projects	1			1				6300		6302
Other Electrical Works excl. TRD	100		50	20		50			1000	1220
Traction Distribution Works	100					450				550
Machinery & Plant	200		100	50		300				650
Workshops Including Production Units	2083		60	150		250		36		2579
Staff Quarters	235		118							353
Amenities for Staff	130		60	124						314
Passengers Amenities			108	150		1400			3500	5158
Investment in Public Undertakings	1824									1824
Investment in non-Govt.Undertakings incl	9477									9477
Other Specified Works	150		35	75		400				660
Training/HRD	28			40		50				118
Metropolitan Transport Projects	1651									1651
New Lines - Dividend free projects	1900									1900
Inventories (Net)	200									200
Credits/recoveries	*36*		*111*	*0*		*2000*		*21*		*2168*
Total Capital Outlay	35880	5000	500	1000	2180	20000	28500	26440	27000	146500

REVENUE RECEIPTS

26. The Revenue receipts of the Railways consist of earnings from goods traffic, passenger traffic, other coaching earnings, including parcels, luggage and sundry other earnings like rent, catering receipts, interest and maintenance charges from outside bodies, commercial utilisation of land and air space and commercial publicity on rolling stock and station buildings, etc. Further, there are 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 subsidised Railway companies) in which the Government has no capital interest. The subsidy from General Revenues in respect of dividend reliefs forms part of the Miscellaneous receipts. The total of Revenue and Miscellaneous receipts makes up the total receipts of the Railways. The portion of the earnings which is due to the Railways during the financial year but has not actually been realised is held in a 'Suspense' account.

27. A table indicating the segment-wise earnings targeted at BE 2018-19 and BE & RE 2017-18 is as under:

(₹ in crore)

Sl. No.	Head	2016- 17			2017-18			2018-19	Change (BE 18-19 - RE 17-18 (%)
		RE	Actuals	% achieve ment	BE	RE	Actuals till Dec 2017	BE	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
1	Total passenger earnings	48000	46280.46	96.42%	50125.00	50125	36264.40	52000	3.7%
2	Other Coaching earnings	5000	4312	86.24%	6949.04	5500	3247.23	6000	9.1%
3	Goods earnings	108900	104338.54	95.81%	118156.50	117500	81427.77	121950	3.8%
4	Sundry other earnings	10100	10368.04	102.65%	14122.83	14000	3191.27	20790	48.5%
5	Total traffic earnings (1+2+3+4)	172000	165299.04	96.10%	188898.37	187125	124130.67	200740	7.3%
6	Suspense	155.00	-6.84	-4.41%	1000.00	100	-1696.65	100	0.0%
7	Total traffic receipts	172155	165292.20	96.01%	188998.37	187225	122434.02	200840	7.3%
8	Total Misc. receipts	150	90.28	60.19%	500.00	200	63.95	250	25.0%
9	Total receipts	172305	165382.48	**95.98%**	189498.37	187425	**122497.97**	201090	**7.3%**

28. Details of Gross Traffic Receipts (GTR) since 2015-16 has be tabulated as under:

(₹ in Cr)

Sl.No.	Year	BE	RE	Actuals
1	**2015-16**	183578	167834	164333.51
2	**2016-17**	184819.84	172155.0	165292.20
3	**2017-18**	188998.37	187225	122434.02 (upto Dec'17)
4	**2018-19**	200840		

29. It may be seen from above that in GTR, BE 2015-16 of ₹ 183578 crore was revised downward to ₹167834 cr. but actual receipt could not be maintained and reduced to ₹164333.51 Cr. only. The similar trend also followed in 2016-17 where RE was lowered at ₹172155 Cr. from ₹ 184819.84 Cr at BE 2016-17 while the actuals 2016-17 remained only to ₹165292.20 Cr. Again, GTR were reduced in RE 2017-18 to ₹187225 Cr from ₹188998.37 Cr at BE 2017-18. Whereas actuals confined to ₹122434.02 upto Dec. 2017. Now, again a target of ₹200840 Cr. has been fixed for the year 2018-19. Fluctuations have been noted in all above said years.

30. The Committee made inquiries about the under- achievement of targets w.r.t GTR during 2016-17 & 2017-18 despite revising them downwards at RE stage and realistic projections at BE 2018-19 level. The Ministry furnished their submission as under:

"BE targets are basically estimates built upon certain assumptions before the commencement of the year which are subsequently modified at RE stage taking into account the trends during the year as a part of budgeting exercise. At BE stage, target of traffic receipts for a year is decided taking into consideration the traffic plan as also other tariff and non-tariff measures proposed to be taken during the year. Further, the targets are also kept at a reasonably challenging level so as to encourage the entire set up to achieve it by mobilizing itself. Since most of the traffic receipts (about 90%) comes from two major segments of Railways earnings *i.e.*, passenger and goods, upward or downward revision of Gross Traffic Receipts target or actual achievement thereunder depends on the performance under these segments during the year. It may be seen that since 2015-16 onwards in each of these years the GTR has been revised downwards at RE stage *vis-à-vis* BE. Major reasons are summarized below:

2015-16

- Drop in originating passengers – both sub-urban and non-suburban
- Massive drop in loading and average freight lead.

2016-17

- Persistent drop in originating passengers –non-suburban – non-PRS segment
- Massive drop in loading and average freight lead.

2017-18

- Trend of lesser average freight lead than targeted in BE.
- Very low growth in other coaching earnings
- Remittance of dividend receipts from Railway PSUs to General Revenues which hitherto used to be part of Railways' sundry earnings."

In this context, when asked about closing the railway lines not earning proper revenues, the representative of the Ministry submitted before the Committee as under:

> "There is a reference letter that has gone to the Chief Secretary. Arising out of the PAC Report couple of years back, we were to give certain uneconomic branch lines. We already have that exercise and we make that annually. The normal procedure is, a letter will be written to the Chief Secretary to also see and perhaps share the cost of running of trains of that line. That is the only normal kind of a letter which goes from all the Chief Commercial Managers to the State Chief Secretaries."

31. On being asked about the proposed strategy to optimally achieve the targets of ₹ 200840 Cr. for Gross Traffic Receipts fixed during 2018-19 which is on a higher side as compared to the previous years, the Ministry in their written reply explained that the GTR target of ₹ 2,00,840 cr in BE 2018-19 targets a growth of 7.3% over RE 2017-18 as against a CAGR of 9.7% during 2007-08 to 2016-17 and appears quite reasonable. Besides this target, apart from being based on a 4.4% growth in loading and 0.7% growth in passengers also relies on a very ambitious growth (48.5%) in sundry other earnings comprising non-fare revenue sources like monetisation of land, advertisement and publicity etc. With the freight performance of Railways picking up and passenger traffic performance so far being on the expected lines, the Railways

are hopeful of achieving the BE target. Further, as an ongoing process, all necessary measures have been / are also being taken some of which are enumerated below:

Measures to augment passenger revenue: -

- Enhancing load of more popular trains,
- Extension/ increasing frequency of existing trains,
- Increase speed of trains,
- Introducing trains with limited stoppages,
- Attaching extra coaches in the existing trains,
- Also regular analysis and review are undertaken on quota utilization, occupancy and patronage of trains and accordingly recommend for augmentation of trains having better revenue,
- Ticket checking drives are also conducted with a view to improve window sales.
- Running of new trains like Humsafar Express, Tejas Express, Antodaya Express, Mahamana Express have been introduced on higher fare on cost recovery basis.
- Augmentation of ticket selling capacity through operation of Automated Ticket Vending Machines (ATVMs), ticket booking through mobile phones, utilizing the services of ticketing agents like Jan Sadharan Ticket Booking Sewaks (JTBS), Station Ticket Booking Agents (STBA), Yatri Ticket Suvidha Kendra (YTSK) etc.
- Running of special trains during festivals and holidays, running of Suvidha trains, etc. **Suvidha trains** (Introduced in June 2015) are run to meet peak demand during festivals/holidays. They have variable fare structure consisting of 5 slabs wherein the fares go up for every 20% of slabs with minimum fares at 30% higher than the normal base fares of mail/exp trains and maximum goes up to 3.9 times the normal mail/exp fares for the class. The basic fares for unreserved second class (2S) in these trains are the same as applicable to unreserved second class of Superfast Mail/Express trains.

- **Special trains on special fares**- (Introduced in April 2015) Fares on these trains are 30% more than the normal mail/exp fares. These trains are run over and above the time tabled trains to meet additional demand.

- The new AC EMU and Anubhuti coaches have been introduced with special fare structure.

- Introduction of special measures to increase passenger earnings through schemes like booking of tickets under Tatkal Quota, Premium Tatkal Quota, Flexi-fare system etc.

Measures to augment freight revenue:

- **Mini Rake Loading** – Distance restriction eased from 400km to 600km- The mini rake policy for covered wagons has been liberalised by increasing the distance for mini rake operations.

- **Policy guidelines on Merry go Round (MGR) System** - With a view to facilitate transportation of coal from mines to power houses near pit heads, the policy has been rationalised. The freight rates for MGR have been kept very competitive which is about 82% lower than the normal freight rate. Impact of this policy is very encouraging.

- **Port Congestion Charge** - @10% on all traffic originating from Ports discontinued - With withdrawal of Port Congestion Charge from 13.04.2016, freight on imports have become cheaper by 10%. This policy is helping manufacturing sector and consumers because cheaper raw material provides boost to domestic production/manufacturing.

- **Liberalised Automatic Freight Rebate Scheme in Empty flow Directions** has been issued w.e.f.01.01.2017 by modifying earlier TEFD Scheme. Under this scheme loaded traffic in empty flow direction is being charged at LR1 (with certain conditions), which amounts to average discount of 30 – 40%. Some of the notable changes are- criteria for empty flow has been upgraded to 10 loaded rakes from 5 rakes earlier, loading allowed for intermediate points and all the division of destination zone. This will help to decrease empty flow movement of rakes.

- **Withdrawal of Dual Freight Policy for Export Iron Ore** - The charging of iron ore for domestic consumption as well as export were made at par. This policy was implemented from 10.05.2016

- **Expanding the freight basket** – 43 Additional commodities at Freight All Kind (FAK) rates w.e.f. 02.09.2016. FAK rates are approximately 30% cheaper than Class-100. The policy aims at attracting traffic to rail from other competing modes of transport. This will give boost to containerisation of traffic, thereby increasing railway's share in freight movement. One more commodity *i.e.*, Bulk cement (cement in loose form in tank container) has been added in the list of de-notified commodities. Now 44 additional commodities have been brought under FAK rate.

- **Re-introduction of short lead concession and reduction in minimum distance for charge from 125 km to 100 km.** To attract short lead traffic to railways, graded concession has been provided on base freight rate. The concession granted for different slabs are as follows:

Distance Slab (in Km)	Freight Concession
0 – 50	15%
51 – 75	10%
76 – 90	5%
91 – 100	Nil

- **Rationalization of Coal Tariff** – Rationalization of Coal Tariff has been done with reduction in freight for long lead power houses. In order to make long distance power plants competitive in the Merit Order, the rationalization of coal tariff has been implemented with effect from 24th Aug, 2016 by the Ministry of Railways. The coal tariff rationalization has resulted in reduction in rates on long leads due to reduction in distance slabs beyond 700 km. Besides changing slabs for charging, Coal Terminal Surcharge @ ₹55 per tonne at both loading and unloading points has been imposed beyond 100 km. The base freight for Coal & Coke has further been rationalized from 15.01.2018. Now the Coal Terminal

Surcharge (CTS), the levy of Busy season charge and development charge on Coal & coke traffic has been dispensed with.

- **Station to Station Rates**- The policy guidelines have been issued on 29.09.2016 which offers up-to 30% concession for incremental traffic between station to station. It is hoped that this policy will go a long way in helping zonal railways to attract additional traffic to rail. The policy aims at win-win situation for railways and industry both.

- **Bridge surcharge was notified for traffic passing through Digha Railway Bridge and Monghyr Railway Bridge on River Ganga.** Surcharge @ ₹10 per tonne on Goods traffic and ₹25 on 1AC & 2AC, ₹15 on 3AC, CC & Sleeper classes and ₹5 on Second Ordinary & M/E per passenger respectively on Passenger traffic passing through these Bridges were notified.

- **Withdrawal of levy of congestion charge for stone traffic** transported from Eastern Railway to Bangladesh via Darsana/ Benapole. This shall generate loading and earning to IR.

- **Policy on Long Term Tariff Contract with key freight customers** has been issued on 30.3.2017. The customers entering into long term contracts with railways shall bring assured traffic to railways and they get assurance of certainty in tariff rates as well as freight rebate on fulfillment of certain conditions. At present, 22 Agreements have been signed on different zonal Railways with Major customers. The major companies who have entered into contract with Zonal Railways under this scheme are TATA Steel, Ultra-tech Cement, India Cement, Jindal Steel and Power, J.K. Cement, Ambuja, ACC etc.

- **Weighment of Bagged consignment** policy has been rationalised. Definition of 'standard bag' has been modified which includes uniform loading, which may be manual loading or automated loading. This will help us in attracting bagged consignment from road. Around 1 million tonne additional traffic is expected.

- **Liberalisation of Booking of traffic for Two Point/Multi Point Destination:**

  Under this policy, any Two Point Rakes can be loaded at Trainload class rate under certain conditions.

  All the covered wagons have now been permitted for such booking. Earlier only BCN wagons were permitted. Similarly, earlier, list of two point/multi-point destination terminals were notified by Railway Board. In the liberalised regime, any two points not more than 200 km apart in Busy Season and 400 km in Lean season can be booked as two point rake and customers get trainload rate benefit. For multi-point destination terminal, distance restriction for two terminals is 200 km in both the season.

  Liberalised system enables customer to book parcel size consignment at trainload rate.

- **Dispensation from mandatory weighment**

  Exemption from weighment, in case of loading of "Standard Bags of uniform size" in container, has been granted. This step is expected to further lower operational time and improve fluidity.

Initiatives taken to improve parcel earnings:

a) Modification in policy of 'Comprehensive Parcel Leasing Policy (CPLP)-

With a view to provide value-added assured service to the rail customers and thereby improve the utilization of the parcel space of Brakevan /Parcel Vans of passengers' carrying trains, a scheme namely 'Comprehensive Parcel Leasing Policy (CPLP)' was introduced by the Railways. Under the scheme, parcel capacity of the entire unit of Brakevan/Parcel Van is leased out to the private parties by the Railways by inviting bids through open tenders.

Earlier, the reserve price for leasing of parcel space was equivalent to the freight at par with the normal tariff rate applicable for booking of non-leased piecemeal parcel traffic as per category of train/ service.

To make the parcel leasing scheme more liberal and market-oriented and thereby improve utilization of the parcel space of Brakevan of mail/express trains, powers have been delegated to the zonal railways for revision of reserve price even downwardly considering road rates.

b) Policy modification in 'Parcel Cargo Express Trains (PCET) -

Under 'Parcel Cargo Express Trains (PCET)' scheme, entire parcel capacity of train is leased out between specific originating – destination stations on round trip to the private operator by inviting bids through open tenders. To make the scheme more liberal, customer-friendly and market-oriented and thereby increase Railway's earnings, powers have been delegated to the zonal railways for revision of reserve price even downwardly subject to minimum reserve price *i.e.*, '1.0 times of Scale-P' for round trip.

c) Initiatives taken to improve parcel earnings (Non- Leased Parcel Traffic)

In order to improve the utilization of Brake Vans of trains and augment parcel traffic on Indian Railways, powers have been delegated to the zonal railways to decide the charging of non-leased parcel traffic carried in Brake Vans of trains subject to:

(i) Utilization of Brake Vans is below 25%;

(ii) No demand for leasing of Brake Vans of such trains during last 3 years; and

(iii) Train is running within the same zonal railway's jurisdiction.

Initiatives taken to improve non- fare Earnings

(a) The vacant land which is not required by Railways for its immediate operational needs is utilized in interim period for commercial development through Rail Land Development Authority (RLDA). Presently 54 sites measuring 189 hectare appx having revenue potential of about ₹14000 crore have been entrusted to RLDA which were identified by railways and RLDA.

(b) Out of home advertisement policy to allow monetization of railway assets by means of conventional advertising, advertising on trains and at areas not hitherto used *i.e.*, area along track, road over bridges, level crossing gates etc;

(c) Content on demand allowing monetization of entertainment based services on trains and stations;

(d) App based cab services; integrated Mobile App based services etc.

31. As regards Goods earning, the Committee have come across the following figures:

(₹in Cr.)

Sl.No.	Year	BE	RE	Actuals
1	**2015-16**	121423	111852.72	109207.65
2	**2016-17**	117932.75	108900	104338.54
3	**2017-18**	118156.50	117500	81427.77 (Up to Dec/17)
4	**2018-19**	121950		

32. It is evident from above that for the year 2016-17, the actuals for the goods earning were ₹104338.54 crore, than ₹108900 crore at RE of the same year. The targets for 2017-18 for goods earnings were fixed at ₹118156.50 crore at BE which was reduced by ₹656.5 crore to ₹117500 crore at RE 2017-18. For the year 2018-19, it has been slightly increased to ₹121950 crore at BE.

33. The Committee have observed that Revenue from the goods earning has declined during 2016-17 in comparison to 2015-16 despite it comprising the major part of Railway Revenue. When inquired about the reasons for not achieving the required targets, the Ministry submitted that the drop in goods earnings in 2016-17 *vis-à-vis* 2015-16 was primarily due to a slump in the freight business due to slowing down of the demand from core sector of the economy. This led to very low incremental loading of 4.64 million tonne in 2016-17 and drop in average freight lead (average distance one million tonne of freight is carried) from 594 km in 2015-16 to 561 km in 2016-17. Coal, which usually contributes about 50% of Railways' loading, witnessed a drop of around 19 million tonnes in 2016-17 over 2015-16. The poor loading in coal was due to over capacities in power sector and operation of new power plants near coal mines.

Freight performance of Railways is a derived demand which in turn is dependent on the economy at large. From the trends of 2017-18 however, the freight performance of Railways has picked up in so far as the current growth in loading(to end of January'18) has touched 5% as against (-) 0.6% witnessed during the corresponding period of last year. Similarly during the above period, the goods earnings have depicted a growth of 8% as against (-) 5.9% witnessed during the corresponding period of last year.

34. The Committee further asked the Ministry to specify the reason for huge gap between freight earnings and passenger earnings. In response, it was submitted that there are separate freight and fare structure for goods and passenger segments and the same are strictly not comparable. Moreover, the passenger earnings are impacted to a large extent by social service obligations which is responsible for the variations. The principle has been to charge the two different segments as per 'what the traffic can bear' given the overall economic outlook and needs of society.

35. The Committee while drawing the attention of the Ministry towards Economic Survey 2017-18 wherein it has been stated that the share of Indian Railways in freight movement has been declined over a period of time primarily due to non-competitive tariff structure, asked the Ministry to submit their comment and also enumerate the initiatives taken by them to bring the freight business back to Railways. In their written replies, the Ministry submitted as under:

"The Government has taken number of initiatives to attract freight traffic to Railways. Some of these steps are as under:

- Long Term Tariff Contract with key freight customers
- Liberalised Automatic Freight Rebate Scheme in Empty flow Directions
- Withdrawal of Dual Freight Policy for Export Iron Ore
- Station to Station Rates policy
- Rationalisation of Merry go Round (MGR) System
- Discount for loading of bagged consignment in open and flat wagons
- Re-introduction of Short Lead Concession & reduction in minimum distance for charge from 125 km to 100 km (re-introduced in modified form)
- Distance for Mini Rake Loading increased from 400 km to 600 km
- Expanding the freight basket –additional 44 commodities have been de-notified from the notified list and brought under FAK rates

- Withdrawal of 10% Port Congestion Charge
- Rationalisation of tariff for Coal & Coke.
- FAK rate benefit extended to notified commodities loaded upto 50 TEUs per rake which was earlier 30 TEUs per rake
- Exemption from weighment in case of loading of "Standard Bags of uniform size" has been granted to container traffic
- Withdrawal of levy of congestion charge for stone traffic transported from Eastern Railway to Bangladesh via Darsana/Benapole."
- Double Stack Dwarf Containers are being introduced as a new delivery model to increase Loadability & attract new traffic under wire. The tariff of this delivery model has been issued on 14.07.2017.
- Exemption from weighment in case of loading of "Standard Bags of uniform size" has been granted to container traffic w.e.f. 24.11.17. This step is expected to further lower operational time and improve fluidity.
- Withdrawal of levy of congestion charge for stone traffic transported from Eastern Railway to Bangladesh via Darsana/Benapole w.e.f.12.01.2017.

The above initiatives has impacted Railways share in freight segments and earnings positively.

Under Long Term Tariff contract, 22 Agreements have been signed on different zonal Railways with key customers.

Evaluation of various alternatives for rationalisation of freight and fare is an ongoing process. The above initiatives will continue in operation in 2018-19 also. Impact of these initiatives are being analyzed and wherever required, modification in the policy is effected."

36. Expressing their concern over the lowering down trend of rail users both freight and passenger, the Committee sought the steps taken by the Ministry to impede the trend. In reply, the Ministry enumerated the following steps:

"Following steps are being taken by Railways to encourage more rail users in freight:

1. New delivery models of transportation are being launched such as
   - Dwarf container
   - RORO
2. Long Term Agreement / Contract at pre-determined /pre-agreed price escalation rate with volume based / incremental traffic linked incentives for traffic commitment given by the customer.

3. Integrated and holistic approach to provide key customers with first mile and last mile connectivity through expansion of containerised services to attract traffic from other modes.

    1. Special incentive based and tariff rationalisation based policy to increase long lead traffic.

    2. Innovative policies to increase ease of doing business such as simplifying rules and procedures, efficient weighment system and shift to digital and e-based procedures including cashless payment system.

To improve the passenger traffic and earnings, various steps have been taken towards optimal utilisation of existing resources and capacity augmentation, viz:-

i) Attachment of additional coaches, running of special trains during festivals and holidays, running of Suvidha trains, etc. for the convenience of passengers.

ii) Organising intensive ticket checking drives, including fortress checks, etc. to discourage ticketless travel.

iii) Augmentation of ticket selling capacity through operation of Automatic Ticket Vending Machines (ATVM), utilising the services of ticketing agents like Jan Sadharan Ticket Booking Sewaks (JTBS), Station Ticket Booking Agents (STBA), Yatri Ticket Suvidha Kendra (YTSK) etc.

iv) Introduction of Alternate Train Accommodation Scheme known as VIKALP on pilot basis to provide confirmed accommodation to waitlisted passengers in the alternate trains based on the choice exercised by them and to ensure optimum utilization of available accommodation.

v) Facility of ticketing through internet has been provided for convenient booking of reserved tickets. Service charge on booking of e-tickets/i-tickets has been withdrawn.

vi) Facility of booking of unreserved tickets through mobile phones has been provided on certain suburban sections Central, Western, Eastern, South Eastern, Southern, South Central and non-suburban section (Delhi-Palwal) of Northern Railways. This project is being expanded further to cover more Zonal Railways and more sections.

vii) Facility of cashless transactions at PRS/UTS counters (including suburban) through Point of Sale (POS) machines to enable payment through credit/debit cards is being provided to cover all PRS/UTS locations. An arrangement has been made to install 10,000 POS machines through SBI."

RAILWAY EXPENDITURE

37. The expenditure incurred by the Railways is on Revenue account and on Works account. The Revenue account consists of Ordinary Working Expenses incurred by various Departments of the Railways in their day-to-day working and other miscellaneous expenditure like the expenditure on Railway Board, Audit, Surveys and other miscellaneous establishments, payments as regulated by contracts to worked lines which are not owned by the Railways and are either worked by the Indian Railways or companies concerned. The Revenue account also includes appropriation to the Depreciation Reserve Fund and Pension Fund. Appropriation to the Pension Fund is to finance Pension and Death-cum-retirement gratuity payments to the Railway staff. The excess of receipts over expenditure remaining is appropriated to the Development Fund, the Capital Fund, the Debt Service Fund and the Railway Safety Fund. These Funds are meant to finance part of the Plan requirements.

38. Works expenditure is financed from capital borrowed from the General Revenues and also from internal resources, *viz.* Capital Fund, Depreciation Reserve Fund, Development Fund and Railway Safety Fund. The overall budgetary support of the general finances of the Government of India consists of capital loans and the sums temporarily loaned to meet the deficient amount, if any, in the Capital Fund and the Development Fund. A part of the investment in Railway assets, covered by the Railway Plans, is also made by the Indian Finance Corporation which raises funds through market borrowing. All the revenue earnings of the Railways are credited to the Consolidated Fund of India and expenditure is also incurred therefrom. No amount can be withdrawn from the Fund without authorization by the Parliament.

39. A table indicating the segment-wise earnings targeted at BE 2018-19 and BE, RE & actuals of RE 2017-18 and RE, actuals and % age actuals of 2016-17) is as under:

Sl. No.	Head	2016-17			2017-18			2018-19
		RE	Actuals	% achievement	BE	RE	Actuals till Dec. 2017	BE
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	
1	Ordinary working expenses	122760	118829.61	96.80	1297	130200	102839.80	138000

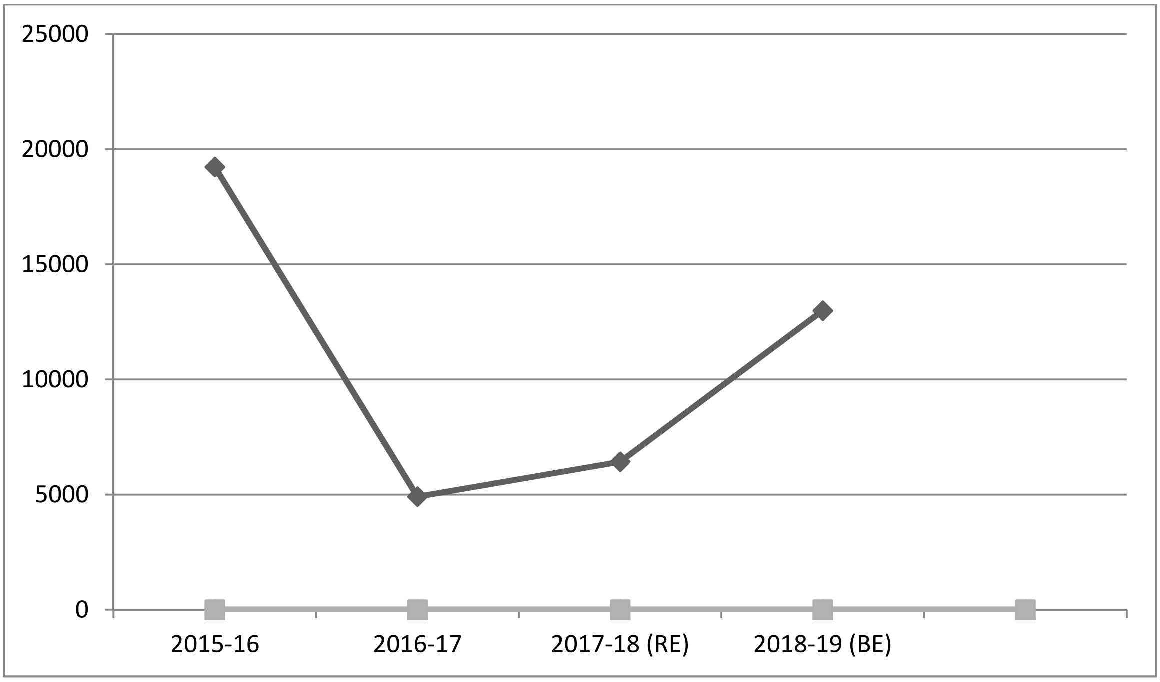
2	Appropriation to Depreciation Reserve Fund	5200	5200	100	5000	5000	3750.02	500
3	Appropriation to Pension Fund	35000	35000	100	43600	44100	32699.91	47500
4	Total working expenses (1+2+3)	162960	159029.61	97.59	178350	179300	139289.73	186000
5	Total Misc. expenditure	1650	1439.87	87.27	2200.00	1700	108433	2100
6	**Total expenditure (4+5)**	**164610**	**160469.48**	97.48	**180550**	**181000**	140374.06	**188100**
7	Net revenue (Total receipt-Total expenditure)	7695	4913	63.85	8948.37	6425	-17876.09	12990
8	Dividend payable to general revenues	-		-	-	-	-	-
9	Excess or shortfall (7-8)	7695	4913	-36.15	8948.37	6425	-17876.09	12990

40. It has been observed that during 2017-18, the total expenditure at BE of ₹180550 crore has been slightly revised to ₹181000 crore at RE. However, BE 2018-19 has been kept at a higher side at ₹188100 crore which is ₹7100 crore higher than RE, 2017-18. The Ministry of Railways have informed that for the year 2016-17 the Ordinary Working Expenses (O.W.E.) has been ₹118829.61 crore against ₹ 122760 at RE 2016-17.

41. Net revenue has been revised downward to ₹ 6425 crore at RE 2017-18 by reducing ₹2523.37 crore from BE 2017-18 of ₹8948.37 crore. The BE, 2018-19 for Net Revenue has been kept at ₹12990 crore. Net Revenue for the past three years has been given as under:

(₹in Cr.)

Sl. No.	**Year**	**BE**	**RE**	**Actuals**
1	2015-16	25076.45	19897.84	19228.48
2	2016-17	18210.64	7695	4913
3	2017-18	8948.37	6425	-17876.09 (upto Dec'17)
4	2018-19	12990		



42. In the year 2016-17, Net Revenue was reduced by around 58% *i.e.*, from ₹18210.64 Cr at BE 2016-17 to ₹7695 Cr at RE 2016-17 while actuals 2016-17 has been much lower *i.e.*, only ₹4913 Cr *i.e.*, 36% lesser than RE 2016-17. The Committee asked the Ministry to explain the main reason for this large reduction in the revised estimates while the provision of dividend liability has also been done away with from the Railways. The Ministry, in their written replies, submitted that "the main reasons for drop in Net Revenue in 2016-17 *vis-à-vis* 2015-16 as also *vis-à-vis* BE 2016-17 and RE 2016-17 stages are (i) higher outgo towards staff cost of around ₹8000 cr pursuant to implementation of 7th CPC recommendations and (ii) drop in goods earnings. Decline in Net Revenue during the years impacted by Pay Commissions are not unusual. The position was however accentuated by the unusual decline in goods earnings. Dividend is paid out of the Net Revenue. Hence, the waiver of dividend liability in 2016-17 in no way impacted the Net Revenue. However, because of the waiver, there was a boost to Railways' resources".

43. The Committee further inquired that in the past, how many times the Revised Estimate of Net Revenue of Railways has been reduced by more than 50% from the Budget Estimates. The Ministry furnished the reply to the query as under:

"The Net Revenue position from 2010-11 is given below.

(₹ in cr)

Year	BE	RE
2010-11	9781.55	9021.86
2011-12	11993.13	7144.39
2012-13	22233.07	15748.91
2013-14	19396.00	15782.82
2014-15	15198.74	16452.59
2015-16	25076.46	19897.84
2016-17	18210.64	7695.00
2017-18	8948.37	6425.00

As can be seen from the above table that only during 2016-17, Net Revenue in RE has got reduced by more than 50% over BE."

44. The Committee asked the Ministry to explain the reason for revising Net Revenue at RE 2017-18 to ₹6425 Cr from ₹ 8948.37 Cr at BE 2017-18, an amount lesser by ₹2523.37 Cr. and keeping it at ₹12990 Cr at BE 2018-19 *i.e.*, more than double of RE 2017-18 *i.e.*, ₹6425 Cr. In response, the Ministry stated that downward revision in Net Revenue estimates in RE 2017-18 *vis-à-vis* BE was a result of downward revision in total receipts of Railways by around ₹ 2,073 cr (mainly under goods, other coaching & miscellaneous segments) on the one hand and increase in ordinary working expenses by ₹ 450 cr on account of higher provision for rising fuel cost/revised allowances/higher maintenance/safety allocations and higher appropriation (by ₹500 cr) to Pension Fund on the other. The Net Revenue target of BE 2018-19 is based on an estimated growth of 7.3% in total receipts and 3.9% growth in total revenue expenditure over RE 2017-18. Keeping in view the indications of a turnaround in freight performance, a 4.4% growth in loading has been targeted and 0.7% growth in passengers has also been kept. In sundry other earnings comprising non-fare revenue sources like monetisation of land, advertisement and publicity etc., a very ambitious growth target (48.5%) has been kept.

45. Further, the Ministry convoluting the various measures taken by Indian Railways in order to check the downfall in Net Revenue of Railways, stated that Measures to check the decline in Net Revenue of Railways are by the way of

enhancement of revenue and control of revenue expenditure. Revenue enhancing measures, inter alia, include targeting progressively higher traffic throughput, effective marketing strategies to capture more and more traffic, creation of additional capacity and optimum utilization of the existing rail infrastructure, enhancement in productivity and efficiency, improvement of passenger interface, periodic rationalization of fare and freight rates and focus on increasing the share of non-fare revenue sources in Railways' earnings. Expenditure control measures include strict economy and austerity measures, improved man-power planning, better asset utilization, inventory management and optimizing fuel consumption etc.

RAILWAYS FUNDS

46. The Development Fund, the Capital Fund, the Debt Service Fund and the Safety Fund are appropriated through the excess of receipts over expenditure that remains after discharging the dividend liability. These Funds are meant to finance part of the Plan requirements. While the Development Fund is meant to finance expenditure on Passenger and other Railways Users' Amenities Works, Staff Welfare Works, un-remunerative operating improvements, etc., the Capital Fund is used for works chargeable to Capital and for making payment of principal component of the lease charges payable to Indian Railway Finance Corporation. The Railways Safety Fund is used for financing works relating to Conversion of unmanned level crossings and for construction of ROBs/RUBs at busy level crossings. This Fund is financed through the Railway revenues, transfer of Funds by the Central Government from the Central Road Fund and the aforementioned part of dividend which, until 2000-01, was appropriated to the Railway Safety Works Funds. The Debt Service Fund has been created to make provision for future committed liabilities like debt service payment for loans taken, future Pay Commissions/awards, etc. In case there is no 'Excess' or not enough 'Excess' remains to be transferred to the Capital Fund and Development Fund, temporary loan is obtained from the General Revenues to finance expenditure to be met out of these Funds.

47. Appropriation to various Railway funds for the year 2016-17, 2017-18 and 2018-19 are as under:

(₹ in Crore)

S. No.	Name of Fund	Appropriation to Railway Funds						
		2016-17			2017-18			2018-19
		BE	RE	Actual	BE	RE	Actual	BE
1	Pension Fund	42900	35400	35100	44000	44200		47600
2	Depreciation Reserve Fund	3400	5400	5200	5200	5000		500
3	Railway Development Fund	2515	2515	2515	2000	1500		1000
4	Capital Fund	5750	5180	2398	5948	4925		6990
5	Debt Service Fund	214	0	0	0	--		
6	Railway Safety Fund	10783	10783	--	10668	--		
7	RRSK*	0	0	--	1000	--		5000
	Total			**45213**	**57648.37**	**55625**		**61090**

48. It may be seen from the above that in the year 2016-17 actual appropriation to Capital Fund has been only ₹2398 Cr. against ₹5180 Cr at RE 2016-17 *i.e.*, merely 46.3%. In case of Depreciation Fund, appropriation proposed for the year 2018-19 has been reduced to ₹500 Cr from ₹5000 Cr at RE 2017-18.

49. On being asked about the relevance for reducing appropriation to Depreciation Reserve Fund (DRF) by 90% *i.e.*, bringing it down from ₹5000 Cr. in 2017-18 to ₹500 Cr. in BE 2018-19, the Ministry in their written replies submitted to the Committee stated as under:

> "…Earlier on, bulk of them are all renewals and was being financed out of DRF only. We used to make appropriation out of our normal revenues and from the DRF, it was used. It includes track renewals, re-building of bridges, etc was being undertaken from there. Right now, from this year, RRSK which has come up is also a Five-Year Plan. The renewals which were earlier shown as charge to DRF are now being shown as charge to RRSK. All the track renewals which have taken place this year and the ones which are going to take place, including rebuilding of bridges, signalling which used to be shown against DRF head is now actually reflected under RRSK. If we were taking about Rs. 5000 crores or Rs. 10,000 crore from DRF, right now, the RRSK amount for the year is Rs. 20,000 crore. So, it is not actually that our expenditure or the focus on the renewals which are related to safety has gone down. With this advent of RRSK, it is there. The charging of expenditure of all these items has now been shifted which were earlier being charged to DRF. Now they are charged to RRSK."

50. Appropriation to DRF has been kept at ₹500 cr in BE 2018-19, which is ₹4,500cr less than the RE 2017-18 of ₹5,000 cr. ₹5,000 cr provided to DRF in 2017-18 RE was meant to be transferred to Rashtriya Rail Sanraksha Kosh (RRSK), whereas in 2018-19 BE, the RRSK has been provided the Railways' share from Railways' 'Excess'. Hence, the reduction is seen. Further, the reduction in the appropriation to DRF will be necessitated as safety works requiring replacement/renewal have been shifted to RRSK resulting in less likely requirement of funds from DRF. DRF, for the present, will be used for funding current arisings of replacement and renewals of non-safety nature.

51. Regarding keeping the appropriation to Capital Fund and Development Fund on a lower side and rationale behind the same, the Ministry stated that certain works which hitherto were being financed out of Development Fund now qualify for being financed from Rashtriya Rail Sanraksha Kosh and hence have been shifted to the Kosh. Apart from the above reason, the resource position of Railways in RE 2017-18 also was a factor to reduce appropriation to Development Fund by ₹500 cr. However, the amount appropriated to the fund in RE 2017-18 was adequate to meet the expenditure needs from the Fund. In BE 2018-19 also, the appropriation to the fund was reduced to ₹1,000 cr *vis-à-vis* BE 2017-18 of ₹2,000 cr commensurate to the expenditure needs from the fund.

52. Appropriation to Capital Fund is made out of Railway' Excess of Revenue over expenditure. As such, the appropriation to the fund is commensurate with the resource availability. In 2016-17, Railways' capacity to generate internal resources was adversely affected by (i) higher outgo towards staff cost of around ₹8,000 cr pursuant to implementation of 7th CPC recommendations and (ii) drop in goods earnings. As such there was a gradual reduction in appropriation to the fund in the year 2016-17 *i.e.*, ₹5,750 cr in BE to ₹5,180 cr in RE to ₹2,398 cr in Actual. The withdrawal from the fund was accordingly readjusted to ₹7,000 cr in BE to ₹5,000 cr in RE to ₹3,000 cr in Actual. The internal resource position of Railways in RE 2017-18 deteriorated vis-à-vis BE due to slower growth of traffic earnings and additional provision under OWE and appropriation to Pension Fund resulting from implementation of revised allowances pursuant to 7th CPC and post budgetary developments in pension expenditure. Hence, the appropriation to Capital Fund was reduced to ₹4,925 cr in RE 2017-18 cr from ₹5,948.37 cr in BE.

53. Balance requirements for payment of capital component of lease charges to IRFC was met from Capital (GBS) as the allocation rules for both Capital and Capital Fund are the same. With the stabilisation of the impact of 7th CPC and expecting a turnaround of traffic performance, the Railways are hopeful of improved financial position in BE 2018-19. Accordingly, the appropriation of ₹6,990 cr to Capital Fund in BE 2018-19 has been kept in consonance with the resource position estimated for the year as also the amount of withdrawal of ₹5,000 cr from the fund.

RASHTRIYA RAIL SANRAKSHA KOSH (RRSK)

54. A *Rashtriya Rail Sanraksha Kosh* (RRSK) for passenger safety was created in 2017-18 with a corpus of ₹ 1 lakh crores to incur @ ₹20000 cr. per annum over a period of 5 years for clearing the backlog of critical safety related works. An outlay of ₹20,000 crore was provided in Budget Estimates 2017-18 and Revised Estimates 2017-18. Outlay of the same amount has been allocated in Budget Estimates 2018-19 also.

55. The Committee were informed that the details of works to be executed through Rashtriya Rail Sanraksha Kosh (RRSK) have been summarized as under: –

Summary of RRSK works identified	
(a)	Civil Engineering Works
	(including Track works, Bridge rehabilitation, Vehicular ultrasound testing system for rail/welds, broken rail detection system, adoption of flash butt welds & weld quality improvement etc.)
(b)	Safety works at Level Crossings
	(including elimination of LC/ROB/RUB/Subways etc.)
(c)	S&T Works
	(including Train Protection & Warning System, Train Collision Avoidance System, up-gradation of standard of interlocking, replacement of overaged signalling gears by electrical/electronic interlocking etc.)
(d)	Mechanical Engineering
	(including Freight Design & Maintenance, Coach Design & Maintenance, Diesel Locomotive maintenance, Crew Management and Disaster management)
(e)	Electrical Engineering
	(Replacement of overaged traction distribution assets, conversion of unregulated OHE to regulate OHE, replacement of masts/portals, replacement of transformers, cables, earthing, panels, wiring etc.)
(f)	Human Resource Development

56. On being asked about the financing and expenditure out of RRSK, the Ministry in their written reply submitted that in Budget Estimates 2017-18, the Railways' contribution of ₹5000 crore towards Rashtriya Rail Sanraksha Kosh (RRSK) comprised of ₹ 4000 crore transferred from Depreciation Reserve Fund and ₹ 1000 crore from Railways' revenue surplus. In Revised Estimates 2017-18 the entire amount of ₹ 5000 crore of contribution towards Rashtriya Rail Sanraksha Kosh (RRSK) has been advanced from the Depreciation Reserve Fund. Since 2018-19 will be the second year of Rashtriya Rail Sanraksha Kosh (RRSK) since its inception, it is hoped that the target of ₹ 1 lakh crore will be achieved in a span of five years.

57. The expenditure out of Rashtriya Rail Sanraksha Kosh (RRSK) is made out of the entire amount of ₹ 20000 crore and separate account of utilisation from different streams of contributions to the Fund is not maintained. Expenditure out of Rashtriya Rail Sanraksha Kosh (RRSK) to end of January, 2018 is ₹10709 crore. In this regard, the representatives of the Ministry submitted before the Committee as under:

> "The present arrangement is out of ₹20,000 crore, ₹15,000 crore will come from Gross Budgetary Support and we are putting ₹5,000 crore. Most of our appropriation for DRF was related to safety related priority items. Therefore, our contribution to RRSK which was ₹5,000 crore has been shifted. First we are making appropriation to DRF from the revenues and then spending it here. Right now, we are shifting as our contribution to RRSK, which is ₹5,000 crore."

58. The Committee further enquired about the plan wise expenditure out of RRSK, in response, the Ministry replied that Rashtriya Rail Sanraksha Kosh (RRSK) has been set up to finance critical safety works, the purpose of the Fund is being fulfilled as specific allocations are provided for safety related works for which focused monitoring is possible. Plan head wise expenditure out of RRSK to end of January, 2018 is given in the following table –

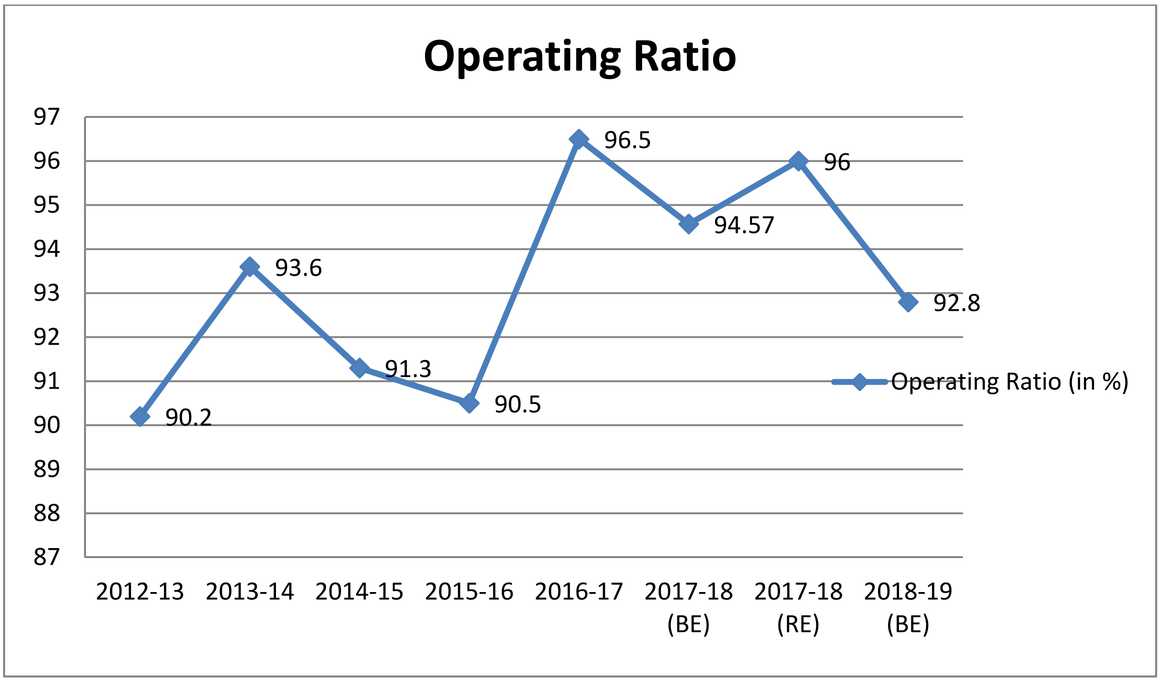
(₹ in crore)

Plan head	Expenditure to end of Jan'2018
Traffic Facilities	384.51
Rolling Stock	661.00
Road Safety Works – Level Crossings	355.19
Road Safety Works – Road Over/Under Bridges	1889.92
Track Renewals	6519.13
Bridge Works	279.15

Plan head	Expenditure to end of Jan'2018
Signalling & Telecom Works	680.82
Other Electrical Works	9.87
Traction Distribution Works	172.12
Machinery & Plant	57.68
Workshops including PUs	141.16
Amenities for Staff	1.33
Passenger Amenities	144.77
Other Specified Works	0.09
Training/HRD	22.45
Credits/recoveries	*610.31*
Total	**10708.88**

OPERATING RATIO

59. Operation Ratio is function of total working expenses to total traffic earnings. It is a direct indicator of the working of Railways and its growing value reflects the inefficiency of Railways. The position with regard to Operating Ratio during the last five years is shown below -



60. It has been observed that the Operating Ratio for the year 2016-17 was fixed at 92% at BE which was revised upward at RE at 94.9% while the actual remained at 96.5%. Again, it was fixed 94.57% at BE 2017-18 and revised to 96% at RE 2017-18. Operating Ratio for the year 2018-19 has been targeted 92.8% at BE.

61. The Committee asked the Ministry to forward their comments on growing tendency of Operating Ratio and measures taken by them to curb the rise in the value of Operating Ratio year after year. The Ministry furnished that in 2016-17, higher staff cost due to implementation of 7th CPC coupled with drop in goods earnings primarily

contributed to rise in Operating Ratio. In 2017-18, the Revised target of operating ratio has been kept at 96% which is better than 96.5% in 2016-17. However, the same is higher than 94.57% estimated at BE stage. This is mainly because of downward revision of traffic earnings by ₹1773 cr and increase in OWE and appropriation to Pension Fund by ₹450 cr and ₹500 cr respectively. In this regard, the representatives of the Ministry submitted before the Committee as under:

> "The ratio is remaining only at 95 to 96 per cent. 96 per cent is the operating ratio. But we are aware of the need to improve the operating ratio. We are looking at all our marketing tools and reform processes which will help us in generating more money."

62. Operating Ratio is function of total working expenses to total traffic earnings. In Actual 2016-17, the total working expenses though decreased by ₹3930.39 cr (*i.e.*, from ₹162960 cr in RE 16-17 to ₹159029.61 cr in Actuals on account of decline in OWE), the total traffic earnings declined by ₹6700.96 cr (*i.e.*, from ₹172000 cr in RE 16-17 to ₹165299.04 cr in Actuals under all segments of traffic earnings except sundry earnings) Hence the Operating Ratio in Actuals 2016-17 deteriorated vis-à-vis RE. The Operating Ratio targeted in BE 2018-19 at 92.8% is lower than 96% targeted in RE 2017-18 and 96.5% achieved in 2016-17. This is in anticipation of a better growth in traffic earnings (7.3%) vis-à-vis the estimated growth of total working expenses of 3.7%.

63. The Committee asked the Ministry about the long-term measures being taken by them to improve and sustain the operating ratio to a permissible limit. In their written replies, the Ministry furnished their answer as under:

> "This Ministry is equally concerned with the occasional upward movement of Operating Ratio for factors not entirely within the control of this Ministry. For example, the impact on staff cost arising out of periodic pay commissions, occasional slowdown in the economy adversely affecting the passenger and freight business and the ever growing social service obligations of Railways are some of the factors which reflect adversely on its Operating Ratio. Nevertheless, it has been a continuing endeavour of Railways to watch and improve on its operating ratio to the utmost. However, vagaries of certain costs like fuel for traction, pay commission, stores and demand side of the economy cannot be accurately assessed.
>
> However, with thrust on certain capacity improvement works like Dedicated Freight Corridor, doubling/quadrupling and electrification etc., it is expected that the traffic throughput would substantially grow to give a boost to traffic

earnings vis-à-vis the total working expenses which would help improve the operating ratio to a reasonable level."

PLAN HEADS: FINANCIAL PERFORMANCE

64. The financial allocations vis-à-vis achievements for the activities under plan head since 2015-16 is shown as under:

(₹ in crore)

Plan Heads	Actual 2015-16	RE 2016-17	Actual 2016-17	BE 2017-18	RE 2017-18	BE 2018-19
New Lines (Construction)	20225	18561	14337	21198	22166	28490
Gauge Conversion	3735	5224	4102	3884	3002	4016
Doubling	10497	20510	9214	18001	16766	17359
Traffic Facilities-Yard Remodelling& Others	1324	1372	917	3088	3278	2852
Computerisation	239	355	226	568	301	540
Railway Research	25	22	12	56	35	50
Rolling Stock	19548	26183	19698	25653	29767	32007
Leased Assets-Payment of Capital Component	6325	7000	7000	8000	8000	9183
Road Safety Works-Level Crossings	470	679	543	705	675	700
Road Safety Works-Road Over/Under Bridges	4198	9685	3202	6212	6029	6300
Track Renewals	5586	6740	6398	9961	9305	11450
Bridge Works	520	592	495	746	706	740
Signalling and Telecommunication Works	894	954	967	2331	2032	2025
Electrification Projects	2278	3527	2903	3457	5037	6302
Other Electrical Works excl. TRD	106	664	140	898	691	1220
Traction Distribution Works	187	253	222	542	470	550
Machinery & Plant	398	508	432	651	464	650
Workshops Including Production Units	1530	3328	1537	3339	2199	2579
Staff Quarters	283	371	309	428	224	353
Amenities for Staff	289	263	236	267	202	314
Passengers Amenities	1081	1921	981	2101	2471	5158
Inv. In Govt. Comm. Und.-Public Und.	4563	514	46	702	702	1824
Inv. In non-Govt.Und. incl. JVs/SPVs	5394	8269	7138	16790	5227	9477
Other Specified Works	1983	556	287	395	194	660
Training/HRD	--	19	18	125	115	118
Inventories (Net)	-471	70	-979	85	250	200
Metropolitan Transport Projects	1345	1535	1391	1417	600	1651

New Lines (Const)-Dividend free projects	2580	1500	1650	1800	1000	1900
Expenditure under EBR(P)	--	--	26834	--	--	--
Total Capital Outlay	**93518**	**121000**	**109935**	**131000**	**120000**	**146500**
Includes credits/recoveries	*1614*	*2144*	*1966*	*2400*	*1908*	*2168*

65. The Committee asked the Ministry to comment on the major areas of shortfalls during 2017-18 for plan heads and reasons for shortfall. The Ministry, in their written replies, submitted that Railways will strive to achieve physical and financial targets set for the year 2017-18. Detailed assessment on achievements and shortfalls, if any, would be undertaken after the end of the financial year.

PLAN HEADS: PHYSICAL PERFORMANCE

66. Physical targets and corresponding achievements with respect to Railway Plan heads as mentioned in Expenditure Profile 2018-19 by the Ministry of Finance are as under:

Sl. No	**Head**	**2015-16**		**2016-17**		**2017-2018**		**2018-19**
		Target	**Achievement**	**Revised Target**	**Achieve-ment**	**Budget Target**	**Revised Target**	**Budget Target**
1	Construction of new lines (Route Kms)	500	813	900	953	800	402	1000
2	Gauge Conversion (Route Kms)	800	1043	900	1020	900	574	1000
3	Doubling of lines (Routes Kms)	1200	972	1050	882	1800	945	2100
4	Rolling Stock	710	621			604		
	Diesel	430	341 (including 9 locos for non railway customer / export)	467	364	290 (Including 20 Locos for Non - Railways Customer)	290 (Including 36 Locos for Non - Railways Customer)	122 (Including 15 Locos for Non - Railways Customer)
	Electric	280	280	300	294	334	352	573
	Coaches	3592	4099 (including 52 coaches for non railway customer / export)	4291(including 140 coaches for non railway customer)	4321	4695 (including 140 coaches for non railway customer)	4695 (including 140 coaches for non railway customer)	5160 (including 140 coaches for non railway customer)
	Wagons (Vehicle Units)	12814	13412	12000	12323	12000	7120	12000
5	Track renewals (Route Kms)	2500	2794	2668	2487	3600	3600	3900

6	Electrification projects (Route Kms)	1600	1730	2000	1646	4000	4000	6000

67. The Ministry informed the Committee that in 2015-16, total 2,828 km of broad gauge track have been commissioned which includes 813 Kms of New line, 1,043 Km of Gauge conversion and 972 Km of doubling. Railways plan to introduce passenger trains on 2,800 km and 3,500 km of newly constructed broad gauge track in 2016-17 and 2017-18 respectively.

CAPACITY ENHANCEMENT

New Lines

68. Regarding the New lines, the Committee have been informed that at present, Indian Railways is getting supply of rails from Government owned PSU *i.e.*, SAIL. To ensure the safety, the priority of rail supply has been given to overdue Track renewal works. Due to capacity constraints of supply of rails by SAIL, the target of New Line projects has been revised and kept as 402 Km. Due to capacity constraints of supply of rails by SAIL, the target of commissioning of 1921 Km of New Line, Gauge Conversion and Doubling has been kept for 2017-18. Further, Railway has kept the target of commissioning of 4100 Km of New Line, Gauge Conversion and Doubling during 2018-19 which comes out to be 11.2 km/day. In addition, Dedicated Freight Corridor has kept the target of commissioning of 1592 Km of new line during 2018-19.

Pace in 2017-18 has come down arising out of capacity constraints of supply of rails by SAIL. However, for 2018-19 railways has kept a target of commissioning of 4100 Km new track which comes out to be 11.2 Km/day. It is expected that railway will be able to achieve the target and also supply of rails through SAIL and through other agency. Based on the progress of projects, the target of commissioning of 1000 Track Km has been kept for 2018-19. To expedite the execution of New Line projects, regular coordination meetings are being held with the State Government.

Gauge Conversion

69. The Ministry apprised the Committee regarding the current progress with respect to gauge conversion and stated that Total 26 new works of doubling having total length of 1156.24 Km have been included in Pink Book 2018-19 subject to necessary approvals. 18000 Km of doubling, third line and fourth line works mentioned in the budget speech are total throwforward of this Plan head as on 01.04.2017. Railway has arranged funds from EBR(IF) for capacity enhancement works. A total of 2100 Km of doubling is targeted to be commissioned during 2018-19.

70. As on 01.04.2017, Indian Railways is having 5937 Km of Meter Gauge/Narrow Gauge lines. The progress of Gauge Conversion from 01.04.2017 to 31.12.2017 is 262.62 Km. Due to capacity constraints of supply of rails, the target of Gauge Conversion has been revised. Bullet trains, semi high speed trains etc. are entirely different projects and requirement of these projects are being tied up separately. These will in no way affect the ongoing Indian Railways projects of New Line, Gauge Conversion and Doubling.

Doubling

71. The Committee asked the Ministry to furnish a note regarding the progress made in doubling projects. The Ministry, in their written replies, submitted that the target of commissioning of 2800 Km of New Line, Gauge Conversion and Doubling was kept for 2016-17 and against the target of 2800 Km, a target of 1050 Km of commissioning of Doubling/3rd line/4th line was kept. The projects of doubling/3rd/4th line are executed nearer to the existing track involving safety of the existing running tracks. In addition, large number of modifications in each yard have to be executed for commissioning of Doubling projects. These yard remodeling works involve traffic block, speed restrictions, non-interlocking works and even cancellation/diversion of freight and passenger trains. Indian Railways has commissioned 2855 Km of New Line, Gauge Conversion and Doubling during 2016-17 surpassing the target of 2800 Km. However, 882 Km of Doubling/3rd/4th line were commissioned.

Due to capacity constraints of supply of rails from SAIL, target of commissioning of Doubling/3rd/4th line has been revised and kept as 945 Km. Planning of commissioning of Doubling/3rd/4th line has been done project-wise for 2018-19 and close monitoring of these is being done so that expeditious commissioning of Doubling/3rd/4th line is achieved.

Rolling Stock

72. The Committee referred the Budget speech 2018 wherein it has been announced that *'...Adequate number of rolling stock-12000 wagons, 5160 coaches and approximately 700 locomotives are being procured during 2018-19...'* and asked the Ministry to comment on the same. The Ministry, in their written reply, submitted that Coach Production Programme of coach production for the year 2018-19 is for 5160 coaches. Similarly, production programme of locomotives Production for the year 2018-19 is for 695 locomotives. In addition, 30 Nos Electric locomotives are planned to be acquired from BHEL during the year 2018-19.

73. A target for procurement of 12000 wagons has been set for 2018-19. Procurement orders for 9494 wagons from Trade and 398 wagons from Railway Workshops during 2018-19 have already been issued. Order for 3500 wagons (3000 from PSUs and 500 from JVs) is under process.

74. Further, the Ministry provided physical targets and achievement in regard to Rolling Stock as on date for last three years as under:

Rolling Stock	**2015-16**		**2016-17**		**2017-18**	
	Target	Achivement	Target	Achivement	Target	Achivement (Till Jan'18)
Coaches	4095	4126	4302	4321	4659	3444
Locomotives	630	621	660	658	642	531
Wagon	12814	10395	11000	10718		

75. The Committee inquired about new technological innovations introduced/ proposed to be introduced with respect to rolling stock. The Ministry stated that the following technological innovations have been introduced/proposed to be introduced in electric locomotives:

- Upgrading the existing 6000 HP WAG-9H & WAP7 locos to 9000 HP to improve the hauling speeds of trains. It's a make in India initiative already started at CLW.

- Indigenous development of high speed locomotives at 200 kmph.
- Hotel load converter in WAP7 locomotives to cater electric load requirement of coaches.
- Distributed Power Wireless Control System (DPWCS) on three phase freight locomotives for running heavy haul trains.
- Regenerative braking feature in existing WAG7 locomotive is being developed.
- Modified Brake rigging arrangement in WAG9 locomotives to make the loco production more economical and also less maintenance intensive.
- Crew Voice and Video Recording system (CVVRS) is being planned for post failure event analysis which will also act as a potential tool for education of the loco pilot to observe and improve their driving skills and overcome their weaknesses.

A. Mechanical Dte.

In order to provide better passenger experience and comfort, manufacture of Best in Class Train sets has been taken up by Indian Railways to be manufactured at Integral Coach Factory (ICF), Chennai. These Train sets will be Semi High Speed Electric Multiple Unit Train sets, with quicker acceleration and contemporary passenger amenities like on-board infotainment and passenger information system, automatic doors with retractable coach footsteps and zero discharge vacuum based bio-toilets etc.

B. Coaching Electrical Dte:

a) Air conditioned EMU rake

First air conditioned EMU rake manufactured by ICF with indigenous propulsion system has started its commercial services successfully from 25th Dec' 17. For partial air conditioning of EMU rakes in Mumbai Suburban, a scheme is under development. In this regard, a work for air conditioning of two coaches of 72 EMU rakes has been included in Bulk RSP 2018-19.

b) Head on Generation system

Present day Rajdhani/Shatabdi and few Mail Express trains are working in HOGIEOG configuration with power cars equipped with two DG sets are provided at both the ends of trains to cater Hotel load *i.e.*, lighting and HV AC requirement. In HOG compliant train, hotel load power is fed from OHE supply. HOG system provides improvement in passenger comfort due to noise less operation. Till date, 44 trains have been made HOG compliant and it is planned to convert 20 more trains (cumulative 64 trains) in the remaining period of current fiscal. These system of Power supply are more reliable than axle mounted system of generation of Power supply in Self generating (SG) type coaches.

c) Energy efficient LED lights:

Instructions have been issued to replace defective conventional FLlCFL with energy efficient LED light in same fitting which is likely to save electrical energy to the tune of ₹19764/- per AC coach per Annum and ₹84241- per non AC coach per annum. After replacement of all conventional FLlCFL light in all coaches (10525 AC & 42328 Non AC), total saving would be approx. 77.7 million KWH amounting to ₹54.4 Crs. per annum.

d) Noise reduction in power car:

Present design power car employing two DG sets has noise level of 99 dBA. RCF has manufactured one power car with acoustic panel and reorientation of radiator assembly which has resulted in reduction of noise level to 81 dBA. The power car is presently running in train no. 22416 (NDLS-VSKP) AC express giving satisfactory performance.

e) Thermal Index based thermal controller for AC coaches :

To improve thermal comfort of AC coach passengers, Thermal Index based controller developed in association with IIT Delhi has been provided in 14 coaches of Jammu Mail & Rewa Exp on trial basis. Feed back of service trial reveals reduction in demand of blanket by passengers. It is further planned to provide light blanket (Lohi) in these trains which is easily washable.

f) Provision of Emergency talk back system in ladies coaches :

EMU rakes are having Public address system for communication between M/Man and Guard and vice versa. Motorman/Guard can also make one way announcement in the train for public. However, there is no way for passengers to talk to Motorman/Guard. Talkback system is a real-time communication medium between passenger and guard ensuring prompt action as warranted by situation.

C. <u>Mech (Freight)</u>

Indian Railways has designed and developed state of the art 25 Tonne Axle Load Wagon "BOXNS" having a tare weight of 19.85 tonnes with a pay load of 80.15 tonnes. One rake comprising of 59 such wagons shall be able to carry 4729 tonnes of pay load. Introduction of these Light Weight Wagons will enhance the freight carrying capacity of IR by approximately 14% per rake. The ratio of pay load to tare of BOXNS wagons is 4.05 as against 2.6 of BOXN wagons. The procurement of these types of wagons have also been included in the annual plan since 2016-17.

Passenger Amenities

Plan Head	2014-15	2015-16	2016-17			2017-18		2018-19
	Actual	Actual	BE	RE	Actual	BE	RE	BE
Passenger Amenities	859	1081	1838	1921	981	2101	2471	5158

76. The Committee asked the Ministry to elaborate on the point that finances for the passenger amenities have been enhanced more than double *i.e.*, from ₹2471 Cr at RE 2017-18 to ₹5158 Cr. at BE 2018-19. The Ministry, in their written replies, elaborated as under:

> "It has been decided that amenities like Foot Over Bridges, high level platforms, trolley pathways for inter platform transfers and lifts and escalators are to be treated as safety items having a direct bearing on the safety of passengers. These amenities shall be funded under Rashtriya Rail Sanraksha Kosh (RRSK). ₹1400 cr. has been allocated under this head in Plan Head Passenger Amenities towards ensuring provision of such amenities. ₹3500 cr. has been allocated under the head Extra Budgetary Resources (Partnership) towards estimated investment for works of redevelopment of stations. ₹150 cr. and ₹107.86 cr. have been allocated under Development Fund and Depreciation Reserve Fund for other passenger amenity works like provision of facilities for Divyangjan, provision of facilities at stations being developed under 'Adarsh' Station Scheme,

provision of Minimum Essential Amenities like platform shelters, toilets, seating arrangements, etc.”

77. The Committee further asked the Ministry to elaborate on various initiative taken by them to provide better and more user friendly passenger amenities. In response, the Ministry submitted to the Committee as under:

1. Change in the criteria for categorisation of Railway station:

- At present, criteria for categorisation of stations have been revised. As per the new categorization, the number of footfalls and passenger earnings of stations have been taken into account.
  - The stations have been clubbed into 3 groups *i.e.*, non-suburban, suburban and halt. Further these groups have been put in grades ranging from 1-6, 1-3 and 1-3 respectively.

2. Steps taken for improving the safety standards at stations:

- High level platforms were earlier provided at Al, A, B and C category of stations. Now, High level Platform has been included in Minimum Essential Amenities (MEA) for all category of stations on broad gauge.
- No work of raising the platform to medium level shall be taken up henceforth. All existing sanctioned works for raising the height of platform from rail/low level shall be made to high level.
  - ➢ Foot-over-Bridge was earlier provided at A 1, A, B, C and D (at the time doubling) category of stations. Now, Foot Over Bridge has also been included in Minimum Essential Amenities (MEA) for all category stations for ensuring safety of passengers.
  - ➢ Foot over-bridges shall be provided at all stations with more than one platform during doubling/ gauge conversion wherever the same are not available.
- All new FOBs to be provided shall be designed and made wheelchair friendly.
- Trolley path for movement of wheel chair shall be provided at all category of stations.

3. Provision of Upgraded and New Amenities at stations:

- Access control systems in NSG/ 1-3 and SG/ 1-3 category stations.

Bio-toilets/waterless toilets/urinals at all category of stations.

  - ➢ Bus type Platform shelters at HG-1 category stations.
- Travelators in NSG/ 1-3 stations having more than 8 Platforms.

- Wi-Fi in stations (NSG/ 1-5 category stations)
- Infant Nursing Cubicle should be provided at all stations (NSG/ 1-5 category stations) inside Ladies waiting halls and in Common Waiting Hall where separate Ladies Waiting Hall is not available.
- Platform shelters with solar panels for lighting and fans at NSG/ 1-4, SG/ 1¬3 and HG 1 category stations.
- Bottle crushers, Vending Machines (Water, Beverages, Magazines etc.) in NSG/ 1-3 category stations.
- Coach guidance system/ Coach indication boards may be provided at all stations from NSG1-4 and SG1-3 category stations.
- Insect catchers may be provided at waiting halls and refreshment halls in NSG1-3 category stations
- Universal Mobile charging points to be provided inside Waiting Halls.
- Second Entry with Booking office and Parking (NSG1-4 category stations)

BUDGET ANNOUNCEMENTS

78. The Committee have observed that in the Budget speech for the year 2018-19, the Hon'ble Minister of Finance have announced as under:

> "A 'Safety First' policy, ...is cornerstone of Railway's focus on Safety..." has been announced by Finance Minister in his Budget Speech 2018.

The Committee asked the Ministry to furnish the details of the various initiatives under Safety First Policy as announced above. The Ministry, in their written replies, provided the following information:-

> "Safety is accorded the highest priority by Indian Railways and all possible steps are undertaken on a continual basis including upgradation of technology to aid safe running of trains. These include replacement of over-aged assets, elimination of unmanned level crossings, adoption of suitable technologies for upgradation and maintenance of track, rolling stock, signalling and interlocking systems, safety drivers, greater emphasis on training of officials and inspections at regular intervals to monitor and educate staff for observance of safe practices.
>
> As a safety first culture a well established safety management system is existing which identifies Safety hazards and unsafe practices in the railway operation so that corrective action can be initiated much before occurrence of a disaster. Instructions have been issued from time to time to inculcate safety habits amongst all railway employees.

A Global Positioning System (GPS) based 'Fog PASS device has been commissioned in six Zonal Railways(ECR, NR, NCR, NER, NFR and NWR) where the train pass through fog affected region. 6940 nos Fog PASS devices have been commissioned in above Zonal Railways. Further, 6000 nos Fog Pass Device has been sanctioned and included in Pink Book 2018-19 for further proliferation against Pink Book no. 1166/18-19 and 1190/18-19."

79. In this context, during the deliberation, the representative of the Ministry submitted before the Committee as under:

"Safety remains our major concern. We have set safety first. That is the first priority of every Railway man right now. We cannot afford accidents. We have to provide safe travel. For that we have taken a number of steps. One major step is basically sensitizing the staff and telling him that safety is first. We are putting down this message to right down line staff. We are telling them that you are important for safety and do not work on any unsafe conditions. We cannot allow any unsafe condition to prevail. We cannot run trains if they are unsafe."

80. In 2017-18 Budget, it was proposed to feed about 7000 Stations with solar power in medium term, while the work is at the planning/execution stage for 2750 stations and for 4250 stations, planning is yet to be formulated. The Committee asked the Ministry the reasons for slow progress and to furnish the status of these projects along with progress made. The Ministry, in their written replies, submitted that Indian Railway has planned to provide solar panels at 7000 railway stations through its 500 MW rooftop program. Viability Gap Funding (VGF) for 177 MW only was made available by Ministry of New & Renewable Energy (MNRE). MNRE is being followed up for VGF for balance 323 MW. Once the VGF subsidy is made available, more stations shall be planned. However, Railway has taken an initiative to take up the work of 100 MW without subsidy from MNRE. This shall make possible solar panels on another about 700 stations. Slow progress is due to VGF not being given timely by MNRE.

81. 'Clean My Coach' service is being provided in trains provided with On Board House Keeping Service (OBHS) covering Rajdhani, Shatabdi, Duronto and other important long distance Mail/Express trains. In this scheme, for any cleaning requirement in the coach, passenger sends a Short Message Service (SMS) on a specified mobile number which is immediately acknowledged along with a code. A message is also sent by the server to the mobile number of On Board Housekeeping Service (OBHS) staff travelling on the same train along with the details of the passenger such as coach number, berth number. OBHS staff contacts the passengers

and carries out the cleaning work as per demand. Presently, around 950 pairs of trains are covered under this scheme. This is an ongoing process and more trains will be covered subsequently as new trains are introduced and more trains are provided with OBHS. 'Clean My Coach' service is progressively being replaced by 'Coach Mitra' service.

MERGER OF RAIL BUDGET WITH UNION BUDGET: After effects

82. The Railway Budget was merged with the Union Budget in 2017 as against the convention of presenting it separately. The Committee asked the Ministry about their experience with the merger, the Ministry in their written replies submitted that the Railway Budget has been merged with the General Budget with the understanding that the Railways will meet its revenue expenditure from its revenue earnings and the Ministry of Finance will provide the GBS as usual for the Capex. The Revised Estimates for 2017-18 and Budget Estimates of 2018-19 have been made, by and large, with this understanding in mind. The Ministry of Finance has provided Budgetary Support for the Capex and also provided re-imbursement of operational losses of strategic lines. The Railway budget is now presented by Ministry of Finance under one single Demand for Grant instead of expenditure scattered over various Demands for Grants. The Railways have also been relieved of a sizeable amount of dividend being paid every year to the general exchequer. The experience so far has been as expected. Ministry of Finance is open to conducive negotiations on the Railways' requirements.

83. The Committee asked the Ministry to share their observation with respect to the output/change in the allocation of resources in Estimates of Ministry of Railways after being securitized by Ministry of Finance. On the same, the Ministry replied that with the unification of Railway Budget with the Union Budget of Government of India, while the functional autonomy enjoyed by the Railways has been retained, the process of allocation of resources in the estimates has also remained un-changed. The Capital Budget of the Railways, through Budget Estimates and Revised Estimates, continues to be financed from Gross Budgetary Support received from General Exchequer and Internal Resources and Extra Budgetary Resources such as market borrowings, partnerships etc. has been kept as was the practice before the merger. Similarly, the working expenses continue to be borne by Railways out of Revenues.

84. Further, the Committee inquired the Ministry to state the reasons for not laying separate Outcome Budget for Railways in 2018-19 and not laying the Pink Book pertaining to Ministry of Railways on the Table of the House in the current Budget Session. The Ministry submitted in their written replies that until 2016-17, the Ministry of Railways used to present the 'Outcome Budget' as a part of the Railway Budget sent to the Parliament. Consequent to merger of Railway Budget with the General Budget, the Ministry of Finance on 25.01.2017 instructed that there will be no separate Outcome Budget for the Ministries/Departments and it will be a consolidated one document for Government of India. This has been presented to the Parliament by Ministry of Finance as a part of the General Budget set in 2017-18 as well as in 2018-19. Since the Outcome Budget presented by Ministry of Finance is for all the Ministries/Departments, the information pertaining to Railways could be given in a concise manner. However, a document called 'Expenditure Profile' of General Budget has a separate section on Railways (Part V of the document) to capture all the salient aspects of the Demands for Grants of Railways and other details of interest regarding Railways.

Prior to 2017-18, when the Railway Budget was presented separately, ancillary documents totalling about 12-13 in number also used to form part of the Railway Budget sets supplied to Parliament. These included Pink Book, Explanatory Memorandum, Railway-wise details, Outcome & Performance Budget, Year Book, Annual Report etc. It is clarified that the ancillary documents were meant only for circulation in the Parliament and not for laying on the table of the House. However, consequent upon merger of Railway Budget with the General Budget, the Ministry of Railways, like other Ministries, is required to present/lay in Parliament only such documents as are prescribed by Ministry of Parliamentary Affairs and the Lok Sabha Secretariat. As per extant Lok Sabha Secretariat directions, only 'Detailed Demands for Grants' are required to be laid in Lok Sabha following presentation of the General Budget. Besides, copies of Annual Report are also required to be supplied to Parliament.

85. The Committee enquired about the financial implications of the merger of budget, in response the Ministry put forward their submission that the Railway Budget has been merged with the General Budget with the premise that the Railways will

continue to maintain its distinct entity as a departmentally run commercial undertaking as at present. Railways will retain its functional and financial autonomy. The delegation of financial power rules, and powers to sanction works would continue as per the existing guidelines. The existing financial arrangement will continue wherein Railways meet all its revenue expenditure from its revenue receipts. The Government will provide Gross Budgetary Support (GBS) to Railways for incurring its capital expenditure, which the MOR may further supplement through its internal resources and EBR.

Chiefly, this merger has provided a saving in the Parliamentary and Legislative aspects of presenting a separate Railway Budget and provided a basis for a closer scrutiny and examination of Railway finances by the MoF. This has also afforded an opportunity to the Government to plan an integrated transport policy for the country. Thus apparently, the merger of Railway Budget with the General Budget, seems pragmatically a step in the right direction. The Railways do not see any issues with the merger per se…… Apart from this, one direct financial benefit that has come to the Railways in the post merger scenario is the exemption in payment of dividend to the General Exchequer. This is likely to give a saving of over ₹5,000 cr to the Railways on continuing basis.

The following were perceived as advantage of merging the Railway Budget with the General Budget:

- The merger of Railway Budget would bring Railways to the centre stage of Government's Fiscal Policy.
- Merger of Railway Budget would facilitate multi modal transport planning between highways, Railways and inland waterways.
- Merger of Rail Budget would reduce political pressures for financially unviable projects and would make the Railways accountable for timely delivery by avoiding thin spread of resources leading time and cost overruns.
- Railways may no longer be required to pay dividend on Capital-at-charge to the general revenues.
- Presentation of a single Budget and Appropriation Bill, including the Railways would save precious time of Parliament by not having to hold separate discussions on consideration and passing of separate Budgets and Bills.

- The estimates of MoR will also be scrutinized by MoF in greater detail for better allocation of resources.

VACANCY POSITION IN INDIAN RAILWAYS

86. The Committee asked the Ministry to furnish the vacancy position in Indian Railways. The Ministry informed the Committee that details of sanctioned strength, on roll and vacancy position on Zonal Railways category wise as on 01.04.2017 is as under:

	Sanctioned strength	**On roll**	**Vacancy**
Group 'A'	10,199	8,213	1,986
Group 'B'	5,619	5,233	386
Group 'C' & erstwhile Group 'D'	14,52,897	12,32,760	2,20,137
Total	**14,68,715**	**12,46,206**	**2,22,509**

87. Further, the Committee asked to furnish the details of sanctioned and actual strength of safety and maintenance categories of employees of Indian Railways. The Ministry furnished the following details:

Position in Safety Categories on All Indian Railways as on 01/04/2017		
Railway	**INDIAN RAILWAYS**	
CATEGORY	**Sanctioned strength**	**Man on Roll**
ASMs/SMs/SSs	39909	34432
Controllers	2825	2456
Guards	39270	28711
Gateman(Traffic)	11758	10381
Switchmen	1192	771
Cabinmen	4952	3636
Leverman	834	723
Pointsman	39589	34346
JE/SE/SSE(P.way)	10245	8083
Supervisor(P.Way)	231	284
Gangmen/Gangmate	258319	212023
Keymen	2431	1789
Gateman(Engg.)	6314	5442
JE/SE/SSE(Signal)	4063	3489
ESM/MSM	17370	14307
Drivers	47950	37670
Motormen	3501	2908
Shunters/ Engine Turners	7808	5127
Dsl./Elec. Asstts.	45394	41491
JE/SE/SSE(C&W)	9363	7678
Counsellors of all Deptts.	969	720
All other safety categories	210595	179473
Total	**764882**	**635940**

88. It can be observed from the table above that there are 128942 vacancies in Railway safety and maintenance category. On being asked about the large number of vacancy in Railways, during the deliberation, the representative of Railways submitted as under:

> "We have a large number of vacancies. We intend to fill some of the vacancies. We have gone ahead with initiating recruitment for class III and Class IV. We are recruiting almost 90,000 people. But at the same time, we do not want to fill up all the vacancies. We are looking at what sort of works can be outsourced and what core works we have to do. For core works, we will not allow any shortage to happen. We are going to have recruitment of Gang Mans, khalasis, technicians, loco drivers, guards and Station Masters. This is on. There was a lull for about two years but we have decided to go ahead."

89. The Committee further inquired about the actions / steps taken by Indian Railways to fill up vacant posts and extra strain on employees due to non filling up of

vacancies. The Ministry, in their written replies to the Committee, submitted that arising and filling up of vacancies is a continuous process. The requirement for various Group 'C' posts under Direct Recruitment Quota (DR-Quota) is assessed by Zonal Railways(s)/Production Units(s), which accordingly place indents on concerned Railway Recruitment Boards (RRB). RRBs, in turn, make recruitment on the basis of these indents. RRBs are regularly providing panels of successful candidates to Railway/Production Units concerned. The year-wise break-up of total number of candidates empanelled for various Group 'C' posts under DR-Quota through RRBs during last five and a half years is as under:-

S.No.	Year	Total Candidates Empanelled
1	2012-2013	28,467
2	2013-2014	31,805
3	2014-2015	15,191
4	2015-2016	27,995
5	2016-2017	19,587
6	2017-2018(upto 31st December-2017	16,827
Total		1,39,872

90. Further, two fresh notifications for 26,502 vacancies for the posts of Asst. Loco Pilots & Technicians, and for 62,907 vacancies for various posts in Level 1 of 7 CPC pay Matrix, have been published.

Sanctioned posts in all categories are more than the actual operational requirement because they include an element of Leave Reserve and Rest Giver. In case of working beyond normal duty hours, compensation is given as per rules applicable to various categories and grades.

LAND MANAGEMENT IN INDIAN RAILWAYS

91. In regard to the Railway Land, the Committee was informed that "Railway Land" means any railway land in which a Government/railway has any right, title or interest." The details of Railway land along with its usages are as under:

S.No.	Description	Land area as on 31.03.17 (in Ha.)
1	Track & Structures	365612
2	Afforestation	41417

S.No.	Description	Land area as on 31.03.17 (in Ha.)
3	Grow More Food (GMF)	3349
4	Commercial Licensing	3897
5	Other Uses	9216
6	Encroachment	862
7	Vacant	51648
	Total	476001

As on 31.03.2017 out of 4.76 lakh hectare land available with Indian Railways, only approximately 862 hectare (0.18%) land is under encroachment.

92. The Committee asked the Ministry to enumerate measures taken for safeguarding the Railway land – one of its most valuable assets – and potential utilization for revenue generation. The Ministry submitted that in order to safeguard Railway land, regular inspections are carried out at various levels. In case, any trespass is noticed which may eventually lead to encroachment, it is removed then and there. The land records are regularly updated and got verified from Revenue Authorities. To protect railway land, railway also takes measures like provision of boundary walls, tree plantation at vulnerable locations etc.

As on 31.03.2017, total land available with the Railways is approximately 4.76 lakh hectare, out of which approximately 4.25 lakh hectare is under railway track & yard, structures & buildings which include workshops & production units and under allied usages which include afforestation also. Approximately 0.51 lakh hectare land is vacant which is mostly in the form of narrow strips along the tracks, which is required for servicing and maintenance of track, bridges and other railway infrastructure. This vacant land is also utilized for execution of various infrastructural projects for meeting future growth needs of Railways which include projects like doubling/tripling and traffic facilities works, etc. Railway's operations also necessarily require development of ancillary logistic support/infrastructure such as bulk oil installations & oil depots, steel yards, concrete sleeper plants, coal dumps, private sidings, connectivity to ports and other infrastructure, commercial plots, vending stalls, etc. for which land is leased/licensed. The vacant land, which is not required by Railways for its immediate operational needs, is utilized in the interim period for commercial development through Rail Land Development Authority, wherever feasible, in order to mobilize additional financial resources. At present, 54 sites measuring about 189 ha. have been entrusted to RLDA, which are presently found amenable for commercial development.

93. The Committee was further informed that for commercial development of land at eight sites of Mumbai with a market potential of ₹5500 Cr. have been entrusted to RLDA. Letter of Acceptance for one site at Bandra (East) with a lease premium of ₹6.5 Cr. has been issued. Bids for Bandra (East) site with a potential of ₹3000 Cr. is due for opening in March, 2018. For other sites, consultants have been fixed. No project has been taken up so far in Mumbai Suburban Railway System to monetize air space.

94. For removal of encroachments, Railways carry out regular surveys and take action for their removal. If the encroachments are of a temporary nature (soft encroachment) in the shape of jhuggies, jhopries and squatters, the same got removed in consultation and with the assistance of Railway Protection Force and local civil authorities. For old encroachments, where party is not amenable to persuasion, action is taken under Public Premises (Eviction of Unauthorized Occupants) Act, 1971 (PPE Act, 1971), as amended from time to time. Actual eviction of unauthorized occupants is carried out with the assistance of State Government and police. To make this Act more effective, Ministry of Urban Development in consultation with Ministry of Law & Justice has been approached to amend Public Premises (Eviction of Unauthorized Occupants) Act, 1971 by inserting Section 10-A as stated below:-

> "Section 10-A The State Government authorities shall be responsible for eviction of the unauthorized occupants, destruction and removal of all the unauthorized constructions and unauthorized additions/alternations thereto, and/or for providing adequate assistance by way of Police and Magistrates to the concerned Central Government authorities for eviction of the unauthorized occupants, destruction and removal of all the unauthorized constructions and unauthorized additions/alternations thereto within certain time limits to be prescribed by the Estate Officer".

Wherever necessary boundary wall is also constructed to prevent railway land from encroachers.

95. Further, the Committee asked about the encroachment detected and removed by Railways in last 10 years and action taken in regard to digitalization of railway land records. The Ministry, in their written replies, submitted that for removal of encroachment, Railways take regular action under the provision of Public Premises (Eviction of Unauthorized Occupants) Act, 1971 (PPE Act, 1971). However, the final removal of the encroachers from the railway land generally, could not take place as most of the encroachers approach to the Court. Moreover, generally there is reluctance on the part of State Government for rendering assistance in removing the encroachment unless the land to be evicted with immediately required by Railways for construction for some works. Even some district authorities are asking for a comprehensive rehabilitation plan/package for the encroachers. Most of the times, Police Force are not made available by state Government to protect the Railway employee and maintain Law and Order problem.

96. Railway officials have been instructed to remain more vigilant about the encroachment during routine inspection of track/bridge/colony to avoid fresh encroachment on Railway land. Due to sustained efforts, Railway land retrieved from encroachment during last eight years is given below:

Year	**Area retrieved (In Ha.)**
2009-10	28.73
2010-11	13.44
2011-12	41.29
2012-13	21.06
2013-14	24.55
2014-15	28.59
2015-16	35.57
2016-17	17.78

97. The most of the work related to digitization of Railway land record have already been done. However, it is a continuous process since Railway acquires and relinquishes the land on regular basis. In addition, the details of all the vacant plots of more than one acre along with plan have also been uploaded on Land Management data base. This helps to chalk out the details for commercial utilization. Railways are

constructing boundary walls and planting trees on the railway land. During the past four years (2013-17) a total of 552 km of boundary wall has been constructed by the Railways and a total of 310 Lakhs trees have been planted on railway land. It is being financed from RRSK.

PART – II

RECOMMENDATIONS/OBSERVATIONS

AN OVERVIEW

1. Demands for Grants for the year 2018-19 of the Ministry of Railways were tabled in the House on 6 February, 2018. The Committee undertook a detailed scrutiny of Demands for Grants (2018-19) pertaining to the Ministry of Railways. During the deliberations by the representatives of Railway Board before the Committee and the written replies submitted by the Railways, the Committee had a sense of core issues of Indian Railways.

The Committee understand that the Union Budget 2018-19 has been unique for the Railways in multiple respects such as:

(i) It is the second year of post merger of the Railway Budget with the general Budget and the Demands for Grants relating to the Railways which has been presented in the House along with those of other Ministries/Departments. According to the Ministry while the functional autonomy enjoyed in Railways has been retained, the process of allocation of resources in the estimates has also remained unchanged.

(ii) Annual Plan of Railways is ₹1,46,500 Cr. for the year 2018-19, the maximum amount ever proposed for Railways by the Government;

(iii) Focus on 'Safety First Policy' as a guiding principle for the Railways in future course.

The prominent areas of attention for Railways for the year 2018-19 are as under:

- **Enhancement of carrying capacity and Strengthening the Railway Network**
- **Optimal electrification of Railway Network**
- **Dedicated Freight Corridors, both Eastern and Western**
- **Redevelopment of 600 Railway Stations**
- **Institute for training pertaining to High Speed Rail Projects**

In the light of the above, the Committee will now delve into some of the specific components of the Demands for Grants of the Ministry of Railways for 2018-19.

ANNUAL PLAN

2. The Committee observe that the Annual Plan for the year 2018-19 for the Ministry of Railways has been dowelled at ₹ 1,46,500 crore comprising Gross Budgetary Support of ₹53060 crore including Railway Safety Fund of ₹ 2180 crore and Rashtriya Rail Sanraksha Kosh (RRSK) of Rs 10000 Cr, Internal Resources of ₹11500 crore and Extra Budgetary Resources (EBR) of ₹81940 crore, consisting of Marketing Borrowings of ₹ 28500 crore and Public Private Partnership (PPP) of ₹27000 crore and Extra Budgetary Resources (EBR) of ₹26440 cr. The Annual Plan 2018-19 is financed through GBS (36.2%), IR (7.9%) and through EBR (55.9%). As the Railway Network is growing with a rapid pace, amount required for capital outlay would also be incremental and provides for highest ever outlay for Annual Plan 2018-19 is a significant step in this direction. The Committee perceive a positive trend in the capital outlay of the Railways and acknowledge a continuous growth in Annual Plan outlay *i.e.*, ₹93520 Cr in 2015-16,

₹109935 Cr in 2016-17 (17.5% growth over 2015-16), ₹120000 Cr in RE 2017-18 (9.2% growth over 2016-17) and ₹146500 Cr at BE 2018-19 (22.1% growth over RE 2017-18). The Committee expect the Railways to fully exploit the benefits of this enhanced allocation and accelerate the pace of capacity enhancement prudently. However, the Committee strongly recommend the Ministry that disinvestment of its PSUs such as Burn Standard Co. Ltd. should be considered only after probing all the possibilities of its revival and making all out efforts to bring it in profit. They hope augmentation in Capital Outlay may be justified and best utilized in areas/projects with optimum output in terms of finances as well as fulfilling social obligations.

3. The trend from previous years shows that the Ministry has not been able to generate enough internal resources as for 2016-17, actual internal resource generation was ₹12125 Cr against ₹14715 Cr at BE (2016-17) and ₹12125 Cr at RE (2016-17); further, for the year 2017-18, Internal resources have been revised downwards from ₹14000 Cr at BE (2017-18) to ₹10900 Cr at RE (2017-18). The Committee understand that low generation of revenue from Internal Resources gradually compels Railway to depend more on either Budgetary Support or Extra Budgetary Support in the form of borrowings, further compelling them to bear extra interest liability. In view of the same, the Committee would urge the Ministry to explore and review all possible areas where resources can be mobilized with a view to increase their internal resources and refrain themselves from depending on Budget/EBR to the extent possible. The Committee stress that the Ministry should prioritise completion and commissioning of remunerative projects, besides exploring other commercial viable avenues that would not put the Railways under financial duress. The Committee expect hike in internal resources generation through the steps initiated by Railways to improve non-fare earnings viz. commercial development of

vacant land, monetization of railway assets by means of conventional advertising, advertising on trains and areas along track, road overbridges and river crossing gaps etc. The Committee desire the railways to implement these measures with full vigour and maintain a database of the achievements due to these measures and keep the Committee abreast of the same.

FINANCIAL PERFORMANCE

4. The Committee note that target for Gross Traffic Receipts (GTR) for the year 2018-19 has been kept at ₹ 2,00,840 crore involving an increase of ₹13,615 crore (7.3%) over the Revised Estimates of 2017-18*i.e.,* ₹187225 cr. However, Budget Estimate of GTR for the year 2017-18 *i.e.*, ₹188998.37 cr. has been revised downward by ₹1773.37 crore to ₹187225 crore at RE (2017-18) while actuals till December, 2017 has been just ₹122434.02 Cr (65.36% of RE 2017-18 and 64.78% of BE). Also, the actual Gross Traffic Receipts for the year 2016-17 was at ₹165292.20 crore, with 96.10% achievement over RE 2016-17*i.e.*, ₹172155 cr. Further, in the year 2017-18, Goods earnings were revised downward by ₹656.5 Cr from ₹118156.50 crore at BE 2017-18 to ₹117500 crore at RE 2017-18 and has been targeted at ₹121950 crore (BE) for the financial year 2018-19. The actuals till Dec., 2017 was ₹81427.77 cr. i.e., (69.3% of RE 2017-18). The Committee express concern that Gross Traffic Receipts have been continuously revised downwards from 2015-16 to 2017-18 and the reasons attributed for the negative revision by the Ministry have been stated to drop in originating passengers and massive drop in loading and freight lead. Such

downward revision in the core functions of the Railways *i.e.*, passenger and goods earnings is a matter of grave concern for the Committee. Economic Survey 2017-18 clearly and distinctly mentions that the share of Indian Railways in freight movement has been declined over a period of time primarily due to non-competitive tariff structure. Though the Committee find that the Ministry have taken some measures to augment freight revenue, they are of the firm opinion that serious focus should be laid on implementation of these measures with utmost seriousness forthwith. The Committee desire the Ministry to address the matter of low revenue generation from passenger and goods earnings on priority basis and take all necessary corrective measures and explore possibilities to enhance the revenues through alternative means such as use of modern technology and implement it to ensure capping of leakages in Railway resources and also facilitate the freight customers in terms of economies of scales, last mile connectivity, tailor made delivery options, incentives and discounts on empty flow directions besides expanding and involving carriage of additional commodities.

5. The Committee note a change in the trend with respect to Net Revenue since 2015-16 as Net Revenue for the year 2015-16 was Rs19228.48 Cr which has been drastically lowered down to ₹4913 Cr in 2016-17 as against ₹7695 Cr at RE 2016-17 and ₹18210.64 Cr at BE 2016-17 *i.e.*, a decrease of more than 50% at RE level from BE. Further, it has been revised downward to ₹6425 Cr at RE 2017-18 from ₹8948.37 Cr at BE 2017-18 and has been kept at ₹12990 Cr at BE 2018-19. The Committee are

surprised to note that actual Net Revenue upto December, 2017 for the year 2017-18 has been ₹17876.09 Cr (negative). In the given scenario, where Railways are not able to meet their downward revised targets also for Net Revenue of ₹19897.84 Cr, ₹7685 Cr and ₹6425 Cr in the years 2015-16, 2016-17 and 2017-18 respectively, the Committee are not satisfied with the rationale and optimism behind keeping an enhanced target of Net Revenue for the year 2018-19 at ₹12990 Cr. In this regard, the Committee strongly feel that it is imperative on the part of the Railways to keep the realistic targets for Net Revenue and strive to achieve the same. They desire the Ministry to necessitate remedial measures in order to hold the declining net revenue trend. The Committee note that the Ministry are taking steps such as enhancement of revenue and control of revenue expenditure, with which the downfall in the Net Revenue can be checked. They, however, are of the opinion that all their efforts made in this direction have not been adequate to get desired results leading to further downfall in Net Revenue. In this context, the Committee recommend the Ministry to explore the new arena afresh without having any preoccupation of previous efforts and results while keeping in mind their all existing resources and future challenges. Further, they should focus on implementation of their earlier concrete steps in the matter of Pan India level and monitor it vigorously. A flexibility at operational level be provided to officers on field to bring best results for Railways.

6. The Committee note that allocation to Kolkata Metro Rail Corporation Ltd. has been revised downward by almost 25% from ₹1937 Cr at BE 2017-

18 to ₹1500 Cr at RE 2017-18. Further, Budgetary allocation for the year 2018-19 has been kept at ₹1100 Cr *i.e.*, ₹400 Cr lower than RE 2017-18 of ₹1500 cr. In this regard, the Committee strongly opine that more fund should be allocated to Kolkata Metro Rail Corporation Ltd as it is not only the oldest running Metro in the country but also caters to the needs of growing population of the largest city of Eastern India faced with acute congestion on roads. It is not only modern means of transportation but also most eco-friendly mode, especially in times of growing population. In fact, Metro Rails are now becoming lifeline of major cities. Further, being completely owned by the Railways, it becomes imperative on the part of the Railways to maintain and provide sufficient funds for better sustenance of the Kolkata Metro. The Committee strongly recommend to the Ministry of Railways that instead of reducing fund allocation to Kolkata Metro Rail Corporation Ltd, the Ministry should enhance the funding so that all the undergoing works and projects are completed within stipulated timeframe without any time and cost escalation. Once completed, operationalized Metro lines will start paying off the Railway's incurred cost as they will run in remunerative parts of the city.

<u>PHYSICAL PERFORMANCE</u>

7. One of the main thrust areas for Ministry in the Budget for the year 2018-19 is focusing more on capacity enhancement of Railways in all respects *i.e.*, construction of New Lines, Gauge Conversion, Doubling of Lines and increasing the number of Rolling Stock. The Committee observe that during 2015-16 and 2016-17, the Ministry has performed well by

exceeding targets in respect to construction of New Lines, Gauge Conversion, Coaches and Wagons while targets set in areas of Doubling of lines, Diesel Locomotives, Track Renewals (2016-17) and Electrification (2016-17) were not achieved completely. Further, for the year 2017-18, targets for New Lines, Gauge Conversion and Doubling aimed in budgetary provisions have been revised downwards by almost half *i.e.*, from 800 to 402 Route kms, from 900 to 574 Route kms and 1800 to 945 Route Kms respectively. The Committee understand that downward revision of targets has been due to capacity constraints of supply of rails by SAIL and suggest the Ministry to work out the solution by continuous dialogue with SAIL at the highest level and expedite the supply of Rails. The Committee further emphasize the Railways to improve their performance for meeting physical targets and expect the same pace of accomplishment for the year 2018-19 by overcoming all the constraints more so when the focus of the Government is capacity enhancement.

RASHTRIYA RAIL SANRAKSHA KOSH (RRSK)

8. Rashtriya Rail Sanraksha Kosh (RRSK), a dedicated fund for safety was created in 2017-18 with a corpus of ₹1 Lakh crores over a period of 5 years for clearing the backlog of critical safety related works. It was expected to fund track renewals/safety, strengthening of bridges, elimination of unmanned level crossings, upgradation of maintenance facilities, signaling improvement and complete switchover to LHB/coaches/retro fitment of CBC couplers in ICF coaches. The total outlay for capital expenditure from RRSK for the year 2018-19 is ₹20,000 crore.

Also, for the year 2017-18, ₹20,000 crore was allocated to RRSK, consisting of ₹5000 crore from additional Budgetary support, ₹10,000 crore transferred from Railway Safety Fund (Railway's share out of the Central Road Fund), ₹4,000 crore from Depreciation Reserve Fund (DRF) and remaining ₹1000 crore from Railway's Revenue surplus but in Revised Estimate 2017-18, the entire amount of ₹5000 crore contribution to RRSK has been advanced from DRF. Further, expenditure out of RRSK to the end of January 2018 is only ₹10709 crore, which is almost 50% of the allocation. In their 13th Report on DFG 2017-18, the Committee had expressed their apprehensions about the financing of RRSK and had recommended dedicated financing for it. The Committee again recommend the Ministry to ensure the non-fungible financing to RRSK and stress upon the Ministry to ensure prudent deployment of the fund strictly on the works it has been assigned with regular scrutiny of the progress. The Committee feel that RRSK was created with a vision to have a single head in order to cater all safety related needs of the Railways by dissolving various safety related funds and if the Ministry is not been able to utilize the funds judiciously from RRSK, the sole purpose of having a dedicated fund becomes futile. The Committee further recommend that at the time when there is tepid growth in Net Revenue of Railways and a lot of funds are needed for capital asset creation, funding to and expenditure from RRSK for safety purposes should be ensured at highest level in order to accord paramountcy to the safety.

The funds from DRF should have been utilized for replacement of assets, tracks etc. Transferring the funds, by not allowing replacement

repair etc. of assets to RRSK funds and not utilizing it for safety purposes explains the lack of vision and shoddy way of utilizing and appropriating the valuable resources.

OPERATING RATIO

9. The Committee observe a lot of fluctuation in the value of Operating Ratio since 2012-13. The Operating Ratio has been 90.2, 93.6, 91.3, 90.5, and 96.5 for the year 2012-13, 2013-14, 2014-15, 2015-16 and in 2016-17 respectively. Further, for the year 2017-18, it has been revised to a higher value at 96% at RE from 94.57% at BE 2017-18 and has now been projected at 92.8% at BE 2018-19. The Ministry has attributed the reasons for the higher value of Operating Ratio to higher staff cost due to implementation of 7th Pay Commission coupled with drop in goods earning. The Committee understand that the Operating Ratio is a function of total working expenditure to total traffic earnings and any effort to improve the same revolves around maximizing the traffic earnings and minimizing the controllable working expenses. The Committee express their concern over the higher value of Operating Ratio and recommend the Ministry to regulate their finances in such a way that the same could result into a subservient balancing of accounts reflecting the better value of Operating Ratio. The Ministry should observe more financial discipline, plug leakages, such as limited use of Railway Saloons, reduce operating (working) expenses by implementing the steps taken in this regard in mission mode. The Ministry should also focus on recoverables, such as recovering outstanding dues from various thermal power Corporations, reimbursements from Ministries,

such as Defence, who provide discounted train travel to their employees etc. The Committee also suggest that alternative avenues, such as Railways may put 30000 kms of IR power lines on block for disinvestment where PSUs, power companies, private players and pension funds could be allowed to bid and may fetch ₹30,000 cr. @ ₹1 cr. for each km. of infrastructure. Railways could later take these lines back on lease and pay interest and continue to manage the operations and maintenance functions of these power lines. The funds, so raised, could be fruitfully utilized on remunerative projects. The Committee feel that such initiatives could be taken on experimental basis and can extend this route for monetization of other Railway assets, such as trains and stations and bring down the Operating Ratio.

POST MERGER EFFECTS

10. The Rail Budget which used to be presented separately since 1924, was merged with Union Budget 2017-18 and a single budget including Annual accounts and Demands for Grants for Railways was presented in 2017-18. The Committee were apprised that Railways will maintain its distinct identity as departmentally run commercial undertaking with full functional autonomy. They, however, observe that separate Outcome Budget for Railways was presented in the Union Budget 2018-19 as per the instruction given by the Ministry of Finance stating that no separate Outcome Budget for the Ministries/ Departments is now presented since last year, rather it is a consolidated document for Government of India. However, being in the agreement of the Ministry of Finance for having single Outcome Budget, the Committee feel that the information relating to

Railways included in the Outcome Budget contains no elaborative and exhaustive information on Schemes/projects and instead have merely a list of Schemes/ projects with consolidated financial outlay 2018-19, name of the various Railway lines for New Lines, Gauge Conversion & Doubling, Rolling Stock, Track Renewals, Electrification and Signaling projects. In this regard, the Committee desire that as Outcome Budget is an important Budgetary document which reflects the progress made by the Railways and gives comparative outcome, not only over the years, but also achievements vis-à-vis targets (both physical and financial) and their future outcomes, it should have been more elaborative and informative. The Committee recommend the Ministry to present all the documents relating to Railways viz. explanatory memorandum, outcome budget, pink book etc. henceforth so that a wide range of parameters like physical & financial outcome, cost overrun, status of progress made as on date, likely time of completion and overall impact expected after completing the ongoing projects become available in public domain and the system remains transparent.

RAILWAY VACANCIES

11. In regard to the vacancies in Railways, the Committee were astounded to know that as on 01, April, 2017, a total of 2,22,509 number of posts out of 14,68,715 (total strength)were lying vacant in all categories including 2,20,137 number of posts in Group 'C' (& erstwhile Group 'D') category and 1,986 in Group 'A' against the sanctioned strength of 14,52,897 and 10,199 respectively. Further, there are 1,28,942 vacancies out of 7,64,882 sanctioned strength only in Railway safety and maintenance

category itself. The Committee understand that filling up of vacancies is a continuous process and two fresh notifications for 26,502 vacancies for the post of Asst. Loco Pilots & Technicians and for 62,907 for various posts in Level 1 to 7 CPC matrix, have been published. The Committee believe that the primary reason for piling up such a large number of vacancies could be, not holding regular recruitment since long and giving compensation to present employees for working beyond normal duty hours. However, this cannot be a sustainable solution or reason for keeping the post vacant. Filling up vacant posts may not only play a key role in running all Railways smoothly but also enables the working personnel to be relieved of the stress of overwork beyond normal hours. The Committee strongly recommend the Ministry to take up the matter of filling up the vacancy on top most priority basis as having more than a lakh seats vacant only in safety category is clearly telling on safe travel by trains. Moreover, 'Safety First policy' is one of the agenda of the Government, which should be dealt with urgently.

RAILWAY LAND

12. The Committee note that Railways possesses 4.76 lakh hectare land *i.e.*,land in which a Government railway has any right, title or interest out of which approximately 4.25 lakh hectare is under railway track & yard, structures & buildings which include workshops & production units and under allied usages which include afforestation also. Approximately 0.51 lakh hectare land is vacant which is mostly in the form of narrow strips along the tracks required for servicing and maintenance of track, bridges, railway infrastructure for meeting future growth/needs of Railways. The

Committee feel that Railway land is one of the most valuable assets that Railway possess and carries enormous potential for revenue generation if explored judiciously. For better utilization of the Railway Land and using it for commercial or any other revenue generation activity, the Committee recommend the Ministry to look into various other non-conventional avenues other than merely entrusting the work of commercial development of land to Rail Development Land Authority (RLDA). They further stress upon the innovation and novelty in their approach while handling the land issues and consider the ideas like monetizing air space available with Railways at central locations in all Metropolitan and other tier I & II cities, identifying the land for profitable utilization with the help of Member of Parliament concerned and providing space for new start-ups and linking them to Make-in-India initiative at micro level.

The Committee observe that there is huge volume of vacant Railway Land in Metros and other big Cities which is having enormous Commercial Value. For example there is vacant land of around 51,648 hectares in Kolkata City alone. Further the Railway Colonies in almost all the Metros and important Cities are in very dilapidated and wretched condition. The Committee feel that this land can be utilized for commercial purposes such as construction of marriage halls, malls etc. under PPP Model which will produce huge revenues for the Railways on regular basis. There are also some Waterbodies/ Ponds etc. on Railway Land which can be rejuvenated and developed/beautified for commercial purposes for tourist attractions with fees etc. helping Railways to earn from these. The Committee desire

the Railways to explore these possibilities. They would like to be apprised of the action taken in this regard at the earliest.

New Delhi;
5, March, 2018
14 Phalguna, 1939 (Saka)

SUDIP BANDYOPADHYAY
Chairperson
Standing Committee on Railways

APPENDIX I

MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON RAILWAYS (2017-18)

The Committee met on Thursday, the 20th February, 2018 from 1130 hrs. to 1400 hrs. in Committee Room No. '53', Parliament House, New Delhi.

PRESENT

Shri Sudip Bandyopadhyay - Chairperson

MEMBERS

LOK SABHA

2. Shri Chandra Prakash Joshi
3. Shri Ramesh Chander Kaushik
4. Shri Balabhadra Majhi
5. Shri K.H. Muniyappa
6. Shri Lakhan Lal Sahu
7. Shri Rajeev Satav
8. Shri Ganesh Singh
9. Shri Uday Pratap Singh

RAJYA SABHA

10. Shri A.K. Antony
11. Shri Bashistha Narain Singh
12. Mahant Shambhuprasadji Tundiya
13. Shri Motilal Vora

SECRETARIAT

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

REPRESENTATIVES OF THE MINISTRY OF RAILWAYS (RAILWAY BOARD)

1.	Shri Ashwani Lohani	Chairman, Railway Board & Ex-officio Principal Secretary to the Government of India
2.	Shri A.K. Prasad	Financial Commissioner (Railways) & Ex-officio Secretary to the Government of India
3.	Shri Mahesh Kumar Gupta	Member Engineering, Railway Board & Ex-officio Secretary to the Government of India
4.	Shri Mohd. Jamshed	Member Traffic, Railway Board & Ex-officio Secretary to the Government of India
5.	Shri Ravindra Gupta	Member Rolling Stock, Railway Board & Ex-officio Secretary to the Government of India
6.	Shri Ghanshyam Singh	Member Traction, Railway Board & Ex-officio Secretary to the Government of India
7.	Shri D.K. Gayen	Member Staff, Railway Board & Ex-officio Secretary to the Government of India

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

3. Thereafter, the Committee took evidence of the representatives of the Ministry of Railways (Railway Board) on various issues related to the 'Demands for Grants (2018-19) of the Ministry of Railways'.

4. The Chairman, Railway Board, shared the experience of one year of the unification of Railway Budget with the Union Budget. Further, he briefed the Committee about some of the focus areas of Budget 2018-19 and various new initiatives taken by the Railways. Various issues, such as renewal of tracks, enhancement of funds for passenger amenities, electrification, development of stations and commercial use of surplus Railway land, elimination of level crossings, vacancies in Railways etc. were deliberated upon. The issues of various structural reforms being undertaken at various stages, reforms in the Railways and simplification of rail process including devolution of greater powers to Divisional Railway Managers and General Managers as part of the ongoing reform processes were also discussed in detail. The Chairman, Railway Board outlined the Railways' efforts in filling up huge vacancies in all categories lying vacant in the Railways.

5. The Committee, then, sought certain clarifications on the issues relating to the subject and the representatives of the Ministry of Railways (Railway Board) replied to the same. The evidence was concluded.

6. A verbatim record of the proceedings of the Committee has been kept.

The Committee then adjourned.

APPENDIX II

MINUTES OF THE EIGHTH SITTING OF THE STANDING COMMITTEE ON RAILWAYS (2017-18)

The Committee sat on Monday, the 5th March, 2018, from 1400 hours to 1430 hours in Committee Room No. 2, PHA Extension Building, New Delhi.

PRESENT

SHRI SUDIP BANDYOPADHYAY - CHAIRPERSON

MEMBERS

2. Shri Ram Tahal Choudhary
3. Shri Sudheer Gupta
4. Shri Chandra Prakash Joshi
5. Shri Ramesh Chander Kaushik
6. Shri Gajanan Kirtikar
7. Shri P.K. Kunhalikutty
8. Shri Rajeev Satav
9. Shri Ganesh Singh
10. Shri Uday Pratap Singh

SECRETARIAT

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

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. The Committee took up for consideration the draft Report on 'Demands for Grants (2018-19) of the Ministry of Railways' and adopted the same with minor modifications.

3. The Committee appreciated the excellent work done by the Committee Secretariat in drafting the Report. The Committee authorized the Chairperson to finalise the Report in light of the factual verification received from the Ministry of Railways and present the same to the Parliament.

4. A verbatim record of the proceedings has been kept.

The Committee then adjourned.
