

18

RCC No. 144

**RAILWAY CONVENTION COMMITTEE
(2014)**

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

**[Action Taken by the Government on the
Observations/Recommendations of the
Committee contained in their Ninth Report
(Sixteenth Lok Sabha) on 'Consultancy,
Engineering and Project Management
Services by RITES']**

(SIXTEENTH LOK SABHA)



**LOK SABHA SECRETARY
NEW DELHI**

December, 2017/Agrahayana 19 (Saka)

EIGHTEENTH REPORT
RAILWAY CONVENTION COMMITTEE
(2014)

(SIXTEENTH LOK SABHA)

MINISTRY OF RAILWAYS

(RAILWAY BOARD)

**[Action Taken by the Government on the Observations/Recommendations of
the Committee contained in their Ninth Report (Sixteenth Lok Sabha) on
'Consultancy, Engineering and Project Management Services by RITES']**

Presented to Lok Sabha on 22.12.2017
Laid in Rajya Sabha on 22.12.2017



LOK SABHA SECRETARIAT
NEW DELHI

December, 2017/Agrahayana, 1939 (Saka)

Price: ₹ 40.00

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Fifteenth Edition) and printed by the Manager, Government of India Press, Minto Road, New Delhi-110 002.

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**COMPOSITION OF THE RAILWAY CONVENTION COMMITTEE
(2014)**

Shri Bhartruhari Mahtab, MP — *Chairperson*

MEMBERS

Lok Sabha

2. Shri Abhishek Banerjee
3. Shri Sanganna Amarappa Karadi
4. Shri K. Ashok Kumar
5. Shri Kamalbhan Singh Marabi
6. Vacant*
7. Vacant**
8. Shri Janak Ram
9. Shri Rahul Ramesh Shewale
10. Shri Bharat Singh
11. Shri Liladharbhai Khodaji Vaghela
12. Shri K.C. Venugopal

Rajya Sabha

13. Vacant***
14. Shri T.K. Rangarajan
15. Shri Prem Chand Gupta
16. Shri Abdul Wahab
17. Smt. Vandana Chavan
18. Shri Ranvijay Singh Judev

SECRETARIAT

- | | | |
|--------------------------|---|---------------------|
| 1. Smt. Kavita Prasad | — | Joint Secretary |
| 2. Shri M.K. Madhusudhan | — | Director |
| 3. Shri D.R. Mohanty | — | Additional Director |

* Vacancy occurred w.e.f. 5th July, 2016 vice Shri. Anupriya Patel was appointed MOS.
** Vacancy occurred w.e.f. 14th December, 2017 vice Sh. Nana Patole resigned from Lok Sabha.
*** Vacancy occurred w.e.f. 10th August, 2017 vice Sh. Derek O'Brien retired from Rajya Sabha.

INTRODUCTION

1. the Chairperson, Railway Convention Committee (2014), having been authorized by the Committee, present this Eighteenth Report on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Ninth Report (Sixteenth Lok Sabha) on 'Consultancy, Engineering and Project Management Services by RITES'.

2. The Ninth Report was presented to Lok Sabha and also laid in Rajya Sabha on 15th December, 2016. The Ministry of Railways (Railway Board) furnished their replies on 15 June, 2017 indicating Action Taken on the Observations/Recommendations contained in the Ninth Report. The Committee at their sitting held on 07 December, 2017 considered and adopted this Report.

3. An analysis of the action taken by the Government on the Observations/Recommendations contained in the Ninth Report (Sixteenth Lok Sabha) of the Railway Convention Committee (2014) is given at Appendix-II.

4. For ease of reference, the Observations/Recommendations of the Committee have been printed in bold letters in the Report.

NEW DELHI;
15 December, 2017

24 Agraphayana, 1939 (Suka)

BHARTRUHARI MAHTAB,
Chairperson,
Railway Convention Committee.

CHAPTER I

REPORT

This Report deals with action taken by Government on the Observations/Recommendations of the Committee contained in their Ninth Report (Sixteenth Lok Sabha) on 'Consultancy, Engineering and Project Management Services by RITES'.

2. The Ninth Report was presented to Lok Sabha on 15 December, 2016 and also laid in Rajya Sabha the same day. It contained 12 Observations/Recommendations. Replies of Government in respect of all the Observations/Recommendations have been received and are categorized as under:—

- (i) Observations/Recommendations which have been accepted by the Government:

Rec. Para Nos. 1,2,3,4,6,7,8,9,10,11 and 12.

Total: 11

Percentage: 91.67

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

Rec. Para No. Nil

Total: Nil

Percentage: Nil

- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Rec. Para No. 5

Total: 01

Percentage: 08.33

- (iv) Observations/Recommendations in respect of which replies of the Government are interim in nature:

Rec. Para No. Nil

Total: Nil

Percentage: Nil

3. The Committee desire that Action Taken Note in respect of the Observations/Recommendations contained in Chapter-I of this Report be furnished to them at the earliest.

4. The Committee will now deal with some of their earlier Recommendations which either require reiteration or merit further comments based on the replies received from the Government.

I Preliminary Engineering-cum-Traffic Survey (PETS) for the Dedicated Freight Corridors (DFCs)

Recommendation (Para No. 2)

5. In their Ninth Report, the Committee, after observing status of the preliminary engineering-cum-traffic study conducted by RITES for various Dedicated Freight Corridors (DFCs), had recommended the Railway Board to make concerted efforts to speed up completion of those DFC projects for which RITES had already submitted its study reports. The Committee had further recommended that RITES should expedite and complete its preliminary study of the remaining DFCs so as to enable the Railways to accomplish the DFCs to sustain competition and ensure timely delivery of freight to the customers.

6. In their Action Taken Note, the Ministry have submitted as under:—

“M/s. RITES was commissioned for undertaking the PETS (Preliminary Engineering-cum-Traffic Survey) in respect of future DFC Corridors and the final Reports of these Corridors have been received. The matter is under discussion with NITI Aayog.”

7. The Committee appreciate that the final Preliminary Engineering-cum-Traffic Survey (PETS) Reports of RITES for various Dedicated Freight Corridors (DFCs) have been received by the Railway Board and the matter is under discussion with the NITI Aayog. As establishment of DFCs will go a long way in ensuring timely delivery of freight to the customers besides enabling the Railways to withstand competition from the Road sector, the Committee exhort the Ministry to complete the DFCs within a definite time frame, once the consultations with the NITI Aayog are over.

II. Delay in Issuance of No Objection Certificate (NOC)

Recommendation (Para No. 5)

8. While appreciating the commissioning of a 25 MW wind mill power plant in Jaisalmer District of Rajasthan by Railway Energy Management Company Ltd. (REMCL), a Joint Company of RITES Ltd. and the Indian Railways, the Committee, in their earlier Report, had however expressed concern over the delay in issue of NOC by most of the State Governments impeding thereby REMCL's plan to extend commissioning of similar wind mill power plants to all the States. The Committee had, therefore, urged the Railway Board/RITES to earnestly pursue the matter with the State Governments concerned.

9. In their Action Taken Note, the Ministry have deposed as under:—

“Railway Energy Management Company Limited (REMCL - A JV of Indian Railways and RITES) has implemented 26 MW wind mill power plant in Jaisalmer district of Rajasthan for Indian Railways. For setting up the wind projects, State Renewable Energy Company/Corporation (SREC) act as a nodal agency for

single window clearance including NOC/open access permission. The responsibility of seeking clearance/NOC/Open access permission from State Government through respective SREC is of the developer, wherever, Wind Power is purchased by Indian Railways under Power Purchase Agreement. Need based support would be provided by Indian Railways, wherever required.”

10. The Committee are not convinced with the reply of the Ministry, as delay in obtaining NOC from the State Governments concerned impedes REMCL's plan to extend commissioning of wind mill power plants to other States/Zonal Railways. Though under the Power Purchase Agreement, the responsibility of seeking clearance/NOC/Open access permission from the State Governments through respective State Renewable Energy Company/Corporation (SREC) is of the Developer, the Railways being a stakeholder, cannot remain a mute spectator, whenever there is delay in issuance of NOCs. The Committee, therefore, impress upon the Ministry to intervene effectively, wherever required, so as to enable REMCL to commission more windmill power plants leading to reduction in carbon footprints and substantial revenue savings for the Indian Railways.

III. Specialised Training to the Railway Engineers/Professionals/Technicians

Recommendation (Para No. 7)

11. In their earlier Report, the Committee had observed that due to huge technology gap between the requirements of the Gulf Countries and the available technology in India, RITES was finding it difficult to secure contracts in the Gulf Countries. However, taking note of the CMD, RITES' statement that if proper training was imparted the requirements of the Gulf countries could be catered to in five to seven years, the Committee had impressed upon the Railway Board/RITES to make concerted efforts to impart requisite and specialised training to the Railway Engineers/Professionals/Technicians.

12. In their Action Taken Note, the Ministry have stated as under:—

“RITES is organizing and participating in seminars/workshops/training programmes to provide exposure to high technology and upgrade knowledge of its experts on topics such as “Technology for Ultra High Speed Rolling Stock”, “World Class Passenger Coach Furnishings and Interiors”, “Fire Retardant Passenger Coach Interiors”. Since the technical requirements of the overseas clients are different from Indian Railways requirements and the specification of Rolling Stock, RITES tries to tie up with overseas consultants, where ever possible, to bridge the gaps in technical knowhow.”

13. It is encouraging to note that RITES is organizing and participating in seminars/workshops/training programmes besides trying to tie up with overseas consultants to upgrade the knowledge of its experts. The Committee feel that these are prudent and appropriate steps to provide exposure of the Company's engineers/experts to high technology and bridge the gap in the technical knowhow between the requirements of the Gulf Countries and the available technology in India. The Committee, therefore, stress that the momentum should be maintained unabated so

as to enable RITES to secure contracts in the Gulf countries which are looking for higher speeds and better rolling stocks than prevailing on Indian Railways. The Committee further desire that the Indian Railways should endeavour to develop, upgrade and induct high technology into their own system to cater to the overseas requirements including that of the Gulf countries.

IV. Smooth Implementation of the Domestic and Overseas Business Assignments of RITES

Recommendation (Para No. 11)

14. In their earlier Report, the Committee had observed that due to want of funding and delay in land acquisition and environmental approvals, the overseas and domestic projects undertaken by RITES had been adversely affected. The Committee had, therefore, urged the Railway Board to intervene and take up the issues with the appropriate Authorities to ensure smooth implementation of the domestic and overseas business assignments of RITES.

15. In their Action Taken Note, the Ministry have stated as follows:—

“RITES has received Letters of Award from Sri Lanka Railways for supply of 10 BG Diesel Electric Locomotives and 6 BG DEMUs and from Myanmar Railways for supply of MG Locomotives.

For Project Management Consultancy assignments, the clients are being pursued for timely approvals and acquisition of land so as to avoid delay and ensure smooth and timely implementation and completion of projects.”

16. The Committee are pleased to note that RITES has received Letter of Award from Sri Lanka Railways and Myanmar Railways for supply of BG Locomotives and DEMUs to the former and MG Locomotives to the latter. It is also appreciable that the clients are being pursued for timely approvals and acquisition of land to ensure smooth implementation of the Company's domestic assignments. In view of RITES' proven expertise and excellent track record, the Committee desire that there should not be any delay in financing RITES to supply rolling stocks under Line of Credit extended by the Government of India so that the Company timely accomplishes its overseas assignments. The Committee would also like to reiterate that the Railway Board should continue to ensure timely acquisition of land and environmental approvals so as to facilitate smooth implementation of the domestic projects undertaken by RITES, within the targeted timeline.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. No. 1, Para No. 1)

The Committee note that RITES Ltd. which was earlier known as 'Rail India Technical and Economic Services' is a zero debt company with consistent track record of healthy earning and dividend. Over the years, since its inception in 1974, the company has grown from Railway consultant to a multidisciplinary entity specializing in design, engineering, consultancy and project management in India and overseas. The domestic assignments of RITES are mostly from the Indian Railways, National Thermal Power Corporation (NTPC), Steel Authority of India Ltd. (SAIL), Damodar Valley Corporation (DVC), Container Corporation of India Ltd. (CONCOR), Coal India Ltd. (CIL), Mahanadi Coalfields Ltd. (MCL), Rashtriya Ispat Nigam Ltd. (RINL) and several private companies in Steel, Power, Mining and Port sectors. Among the various domestic ventures, RITES has taken up upgradation of Railway workshops, preliminary engineering-cum-traffic study for the proposed Dedicated Freight Corridors (DFCs), Metro Projects, Project Management Consultancy (PMC) and Detailed Project Report (DPR) for defence projects and commissioning of Renewable Energy Projects etc. So far as upgradation of workshops is concerned, the Committee find that two workshops for upgradation projects have been completed by RITES at Rail Coach Factory (RCF), Kapurthala and Integrated Coach Factory (ICF), Chennai. Further, one new workshop (Bogie Manufacturing Shop) at Budge Budge, West Bengal has been set up for RCF, Kapurthala. Since coaches produced at RCF and ICF contribute to the revenue of Indian Railways, the Committee desire that more such projects should be undertaken by RITES and the Railway Board, on their part, should encourage and extend all requisite patronage to RITES in its endeavours, given the company's proven expertise and excellent track record.

Reply of the Government

RITES is actively pursuing with the clients in South East Asian countries and in Africa for supply of new and in-service Rolling Stock and has received Letter of Award for supply of 10 BG Diesel Locomotives and 6 BG DMUs from Sri Lanka Railways in December 2016. Offers in other countries are being submitted/pursued.

[Ministry of Railways, Railway Board O.M. No.2015/RCC(2014)/204/14, dated 15.06.2017]

Sd/-

(Tanveer Ahmed)

Executive Director Finance(E)

Recommendation (Sl. No. 2, Para No. 2)

The Committee further note that RITES has recently completed preliminary engineering-cum-traffic study for the two proposed DFCs *i.e.* North-South Corridor and East-West Corridor. Similarly, the study for the East Coast Corridor and Southern Corridor is under progress. The Committee also find that for four projects in Eastern DFC and for six projects in Western DFC, RITES has given its final reports between January, 2006 to February, 2016. The Committee recommend that the Railway Board should make concerted efforts to speed up completion of those DFC projects for which RITES has submitted its final study reports. The Committee also desire that RITES should expedite its preliminary engineering-cum-traffic study for the East Coast Corridor and Southern Corridor with a view to enabling the Railways to complete the DFCs to sustain competition and ensure timely delivery of freight to the customers.

Reply of the Government

M/s. RITES was commissioned for undertaking the PETS (Preliminary Engineering-cum-Traffic Survey) in respect of future DFC Corridors and the final Reports of these Corridors have been received. The matter is under discussion with NITI Aayog.

[Ministry of Railways, Railway Board O.M. No.2015/RCC(2014)/204/14, dated 15.06.2017]

Sd/-

(Tanveer Ahmed)

Executive Director Finance(E)

Comments of the Committee

Please see Para No. 7 in Chapter I.

Recommendation (Sl. No. 3, Para No. 3)

The Committee also note that RITES is involved in a number of Metro projects in the country to conduct feasibility, DPR, general engineering, interim and design consultancy and independent quality monitoring studies. In this context, the Committee are glad to find that for Kanpur, Varanasi, Meerut, Guwahati, Kochi and Ahmedabad Metro Projects, RITES has already submitted its final DPRs after incorporating all the observations of the stakeholders. For the Chennai Phase-2 Metro Project, RITES has submitted its topographical survey and investigation report and the target date for the submission of the final DPR is December, 2016. While lauding the performance of RITES in conducting and submitting the feasibility studies/DPR within the stipulated time frame for the above said six metro projects, the Committee believe that the final DPR for the Chennai Phase-2 Metro Project would be submitted by the company by 31st December, 2016 and the consultancy assignments for the Nagpur and Delhi Phase-3 metro projects would be accomplished to bring in more laurels for the company as well as to generate more revenue for the Indian Railways.

Reply of the Government

Draft DPR of Chennai Metro has been submitted to client on 14th Jan. 2017, for acceptance of the client, comments if any, received will be incorporated and Final report will be submitted thereafter. Consultancy assignments of Nagpur and Delhi Metro Phase 3 are going on as per schedule.

[Ministry of Railways, Railway Board O.M. No.2015/RCC(2014)/204/14, dated 15.06.2017]

Sd/-

(Tanveer Ahmed)

Executive Director Finance(E)

Recommendation (Sl. No. 4, Para No. 4)

The Committee are pleased to note that due to RITES' expertise in providing consultancy and project management services for complex projects including defence projects, the company has been able to bag two projects from the Indian Navy on nomination basis, with fixed percentage of fee. What is more encouraging is RITES' preparedness to take up more such complex projects in future. The Committee appreciate the willingness and capabilities of RITES to take up complex defence projects and recommend the Railway Board to extend all possible support to the company to get and accomplish more such projects in national interest.

Reply of the Government

In addition to two defence projects on which RITES is already working, company is planning to take up few more projects on competitive basis and complete the task in a time bound manner as per defence requirements.

[Ministry of Railways, Railway Board O.M. No.2015/RCC(2014)/204/14, dated 15.06.2017]

Sd/-

(Tanveer Ahmed)

Executive Director Finance(E)

Recommendation (Sl. No. 6, Para No. 6)

The Committee note that RITES provide export services as 'The Total Package' for supply of locomotives and rolling stock, equipment for workshops/Railway systems as well as modernization of workshops to overseas Railway organizations. In this context, the Committee observe that as a result of continued efforts, RITES has recently secured two high value contracts *i.e.* one from Bangladesh Railways to supply 120 BG LHB Coaches (Rs. 485 crore) and another from Myanmar Railways for supply of 18 YDM4 locomotives (Rs. 215 crore). RITES has also submitted its offer to Sri Lankan Railways for supply of coaches/locos and the company is hopeful of securing the contract. The Committee take note of the commendable overseas ventures of the Company and trust that RITES would be able to supply the coaches/locos to Bangladesh Railways and Myanmar Railways within the stipulated deadline as per the contractual

agreements. The Committee are also hopeful that RITES with its excellent track record would strive to bag more such overseas contracts including that of Sri Lanka Railways so as to further its business credentials and earnings.

Reply of the Government

RITES has completed supply of all the 120 BG SS Coaches to Bangladesh Railways within contracted period. The last rake has been sent on 16.01.2017. RITES is also ensuring to export the locomotives to Myanmar Railways within the contractual period.

Further, RITES has received, in Dec. 2016, Letter of Award from Sri Lanka Railways for supply of 10 BG Diesel Electric Locomotives and 6 BG DEMUs. In addition, RITES is also pursuing new opportunities in overseas & domestic market.

[Ministry of Railways, Railway Board O.M. No.2015/RCC(2014)/204/14, dated 15.06.2017]

Sd/-

(Tanveer Ahmed)

Executive Director Finance(E)

Recommendation (Sl. No. 7, Para No.7)

RITES has been trying to participate in Railway related projects as technical consultant and operation and maintenance provider for upcoming railway systems in some of the Gulf countries. But the Committee are deeply concerned to note that there is a huge technology gap between the requirements of the Gulf countries and the available technology in India for which it is becoming difficult for RITES to secure contracts in Gulf countries which are looking for higher speeds and better rolling stocks than prevailing on Indian Railway systems. However, the Committee draws consolation from the statement of the CMD, RITES that if proper training is imparted the requirements of the Gulf countries can be catered to in five to seven years. The Committee impress upon the Railway Board/RITES to make concerted efforts to impart requisite and specialised training to the Railway Engineers/Professionals/Technicians so that RITES is able to secure lucrative contracts from the Gulf countries by adequately catering to higher technological requirements.

Reply of the Government

RITES is organizing and participating in seminars/workshops/training programmes to provide exposure to high technology and upgrade knowledge of it's experts on topics such as "Technology for Ultra-High Speed Rolling Stock", "World Class Passenger Coach Furnishings and Interiors", "Fire Retardant Passenger Coach Interiors". Since the technical requirements of the overseas clients are different from Indian Railways requirements and the specification of Rolling Stock, RITES tries to tie up with overseas consultants, where ever possible, to bridge the gaps in technical knowhow.

[Ministry of Railways, Railway Board O.M. No.2015/RCC(2014)/204/14, dated 15.06.2017]

Sd/-

(Tanveer Ahmed)

Executive Director Finance(E)

Comments of the Committee

Please see Para No. 13 in Chapter I

Recommendation (Sl. No. 8, Para No. 8)

The Committee note that from 2010-11 to 2014-15, the financial performance of RITES has got 'Excellent' rating. However, though the operating turnover of the Company has consistently exceeded the targets from 2010-11 to 2013-14, it has fallen short by around Rs. 45 crore in 2014-15 on account of lower export sales because of non-finalization of Line of Credit by the Government of India due to change in Governments in Bangladesh, Myanmar and Sri Lanka. During the year 2015-16, the operating turnover of the company was Rs. 1087 crore which is more than the target of Rs. 1070 crore in the MOU for 'Excellent' rating. The Committee appreciate that during 2015-16, the total income of RITES was Rs. 1294 crore which is 11 per cent higher than the preceding year. What is more laudable is the profit of Rs. 515 crore during 2015-16, which is the highest till date. The Committee, while taking note of the commendable financial performance of RITES, desire that the Company should continue to make all out efforts for maintaining the momentum in earning more profits and getting 'Excellent' rating in future too.

Reply of the Government

RITES has been maintaining a steady growth consistently and has been a profit making organization since inception. In financial year 2015-16, Company has achieved a turnover of Rs. 1294 crore and profit before tax of Rs. 515 crore and paid, highest ever dividend of Rs. 136 crore. RITES has been rated as excellent during 2015-16.

Company will strive for excellent rating in future also.

[Ministry of Railways, Railway Board O.M. No.2015/RCC(2014)/204/14, dated 15.06.2017]

Sd/-

(Tanveer Ahmed)

Executive Director Finance(E)

Recommendation (Sl. No. 9, Para No. 9)

The Committee further observe that the domestic turnover of RITES is much higher than the exports business during the years from 2011-12 to 2015-16. The Ministry have submitted that the margins in the international business vary from country to country, nature of business and other factors like new area of operations. The Ministry have also stated that whenever there is stiff competition, margins are kept low to win overseas contract. RITES is, therefore, constantly keeping track of international tenders floated in the market besides gathering information on various funding options. The Committee feel that these are steps in right direction which should be persisted with to enable RITES for securing more and more overseas contracts, profit margins notwithstanding.

Reply of the Government

RITES will continue to make all out efforts to secure overseas business. Besides securing export contracts for supply of Rolling Stock, RITES is also pursuing various business opportunities in the field of Roads, Highways, Airports, Ports etc.

Ministry of Railways is providing necessary support to RITES for supply of Rolling Stock to domestic and overseas clients.

[Ministry of Railways, Railway Board O.M. No.2015/RCC(2014)/204/14, dated 15.06.2017]

Sd/-

(Tanveer Ahmed)

Executive Director Finance(E)

Recommendation (Sl. No. 10, Para No. 10)

The Committee are pleased to note that though RITES was set up with the primary objective of providing consultancy services in the railway sector both inside and outside the country, it has diversified into other transport sectors like highways, ports, waterways, airports, metros etc. with a view to increasing its revenues. As RITES is well recognized for its comprehensive services as consultants in all facets of transports, the Committee desire that the company should exploit its full potential and expertise to further cement its place in both domestic and overseas assignments and continue to earn more revenue for the Indian Railways.

Reply of the Government

RITES is engaged with National High Speed Rail Corporation for final location survey of Mumbai — Ahmedabad High Speed Corridor as also alignment and bridge studies for the same corridor for Japan International Consultants for Transportation (JIC). Company is also associated in final location survey of a prestigious Bilaspur-Manali-Leh new railway line. In addition, company is pursuing the business opportunities in Metro, Highway, Airport and other infrastructure sectors in domestic market as well as overseas market.

[Ministry of Railways, Railway Board O.M. No.2015/RCC(2014)/204/14, dated 15.06.2017]

Sd/-

(Tanveer Ahmed)

Executive Director Finance(E)

Recommendation (Sl. No. 11, Para No. 11)

The Committee note with concern that offers submitted to Myanmar and Sri Lanka for supply of rolling stocks to be financed under Line of Credit extended by the Government of India, totalling around Rs. 600 crore, have not yet materialized due

to want of funding. It is also worrisome to find that due to land problems and delay in environmental approvals, major projects of NTPC with RITES are adversely affected. The Committee urge the Railway Board to intervene and take up the issues with the appropriate Authorities concerned so as to ensure that RITES is not inconvenienced in smoothly implementing its domestic and overseas business assignments.

Reply of the Government

RITES has received Letters of Award from Sri Lanka Railways for supply of 10 BG Diesel Electric Locomotives and 6 BG DEMUs and from Myanmar Railways for supply of MG Locomotives.

For Project Management Consultancy assignments, the clients are being persued for timely approvals and acquisition of land so as to avoid delay and ensure smooth and timely implementation and completion of projects.

[Ministry of Railways, Railway Board O.M. No.2015/RCC(2014)/204/14, dated 15.06.2017]

Sd/-
(Tanveer Ahmed)
Executive Director Finance(E)

Comments of the Committee

Please *see* Para No. 16 in Chapter I.

Recommendation (Sl. No. 12, Para No. 12)

Decrease in number of works on nomination basis, competition from large international consultancy firm, difficulty in retention of skilled manpower etc. are some other constraints/challenges that are being faced by RITES. The Committee appreciate to note that with a view to overcoming the said problems, RITES is entering into consortium with foreign consultancy organizations as besides focusing on specialized training programmes for the employees etc. The Committee desire that the measures initiated be intensified and other innovative steps be explored so that RITES is able to meet the challenges and continue to maintain its excellent track record in securing and implementing domestic and overseas contracts. The Railway Board on their part, should extend all possible help/support to enable RITES to generate more revenue for the Indian Railways.

Reply of the Government

RITES has undertaken initiatives to meet current and future requirements of our overseas clients and accordingly, RITES in association with RDSO, Lucknow and Indian Railway Production units has undertaken development projects for High Horse Power AC-AC MG locomotive and MG stainless Steel MG Coaches with Y-type bogies for export market.

Ministry of Railways has recently awarded high value EPC contracts to RITES.

RITES is being provided the necessary support to successfully complete all its foreign assignments.

[Ministry of Railways, Railway Board O.M. No.2015/RCC(2014)/204/14, dated 15.06.2017]

**Sd/-
(Tanveer Ahmed)
Executive Director Finance(E)**

CHAPTER III

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

—Nil—

CHAPTER IV

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

Recommendation (Sl. No. 5, Para No. 5)

The Commissioning of a 25 MW wind mill power plant on 16th October, 2015 at Jaisalmer through Railway Energy Management Company Ltd. (REMCL), a Joint Company of RITES Ltd. and the Indian Railways is another praiseworthy domestic venture of RITES. However, the delay in issue of No Objection Certificate (NOC) by most of the State Governments is a matter of concern to the Committee as it impedes REMCL's plan to extend commissioning of similar wind mill power plants to all the States. As setting up of wind mill power plants would reduce carbon footprints of the Railways besides causing substantial revenue savings, the Committee urge the Railway Board/RITES to earnestly pursue the matter with the State Governments concerned for timely obtaining the NOC so as to enable REMCL to commission wind mill power plants in all the Zonal Railways.

Reply of the Government

Railway Energy Management Company Limited (REMCL - A JV of Indian Railways and RITES) has implemented 26 MW wind mill power plant in Jaisalmer district of Rajasthan for Indian Railways. For setting up the wind projects, State Renewable Energy Company/Corporation (SREC) act as a nodal agency for single window clearance including NOC/open access permission. The responsibility of seeking clearance/NOC/Open access permission from State Government through respective SREC is of the developer, wherever, Wind Power is purchased by Indian Railways under Power Purchase Agreement. Need based support would be provided by Indian Railways, wherever required.

[Ministry of Railways, Railway Board O.M. No.2015/RCC(2014)/204/14, dated 15.06.2017]

Sd/-
(Tanveer Ahmed)
Executive Director Finance(E)

Comments of the Committee

Please see Para No. 10 in Chapter I.

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE INTERIM IN NATURE

—NIL—

NEW DELHI;
15 December, 2017
24 Agrahayana, 1939 (Saka)

BHARTRUHARI MAHTAB,
Chairperson,
Railway Convention Committee.

APPENDIX I

RAILWAY CONVENTION COMMITTEE (2014)

MINUTES OF THE FORTY-SECOND SITTING OF THE COMMITTEE

The Committee sat on Thursday, the 07th December, 2017, from 1500 hrs. to 1700 hrs. in Committee Room No.-139, Parliament House Annexe, New Delhi.

PRESENT

Shri Bhartruhari Mahtab — *Chairperson*

MEMBERS

Lok Sabha

2. Shri K. Ashok Kumar
3. Shri Nana Patole
4. Shri Janak Ram
5. Shri Rahul Ramesh Shewale
6. Shri Bharat Singh

Rajya Sabha

7. Shri T.K. Rangarajan
8. Shri Prem Chand Gupta
9. Shri Abdul Wahab
10. Shri Ranvijay Singh Judev

SECRETARIAT

1. Smt. Kavita Prasad — *Joint Secretary*
2. Shri M. K. Madhusudhan — *Director*
3. Shri D. R. Mohanty — *Additional Director*

Witnesses

Representatives of the Ministry of Railways (Railway Board)

1. Shri Ashwani Lohani — *Chairman, Railway Board*
2. Mohd. Jamshed — *Member (Traffic)*
3. Shri Rajiv Dutt Sharma — *Addl. Member (Commercial)*
4. Shri M.P. Mall — *CMD/IRCTC*

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee which was convened to consider and adopt three Draft Reports on the subjects (i) Facilities given by the Indian Railways to Differently Abled Persons (Divyangjan), (ii) Action Taken by Government on the Ninth Report (Sixteenth Lok Sabha) on 'Consultancy, Engineering and Project Management Services by RITES', and (iii) Action Taken by Government on the Tenth Report (Sixteenth Lok Sabha) on 'Scrap Disposal System in Indian Railways'. The Committee was also to have a briefing by the Railway Board on the subject 'Customer Interface of Indian Railways'. Giving an overview of the important Recommendations contained in the Draft Reports, the Chairperson solicited the views/suggestions of the Members.

3. The Committee then took up for consideration of the said Draft Reports and adopted them after some discussions.

4. The Chairperson thanked the Members for their valuable suggestions and active participation in the deliberations of the Committee.

5. The Committee, then, authorized the Chairperson to finalize the Original Report in the light of consequential changes that might arise out of factual verification of the Draft Report and present the same alongwith the Action Taken Reports to both the Houses.

The Committee then adjourned for tea

6.	***	***	***
7.	***	***	***
8.	***	***	***

The witnesses then withdrew.

A verbatim copy of the proceedings has been kept on record.

The Committee then adjourned.

APPENDIX II

(Vide Para No. 3 of the Introduction)

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON OBSERVATIONS/
RECOMMENDATIONS CONTAINED IN THE NINTH REPORT OF THE
RAILWAY CONVENTION COMMITTEE -2014 (SIXTEENTH LOK SABHA)**

	Total	Percentage
I. Total number of Recommendations	12	-
II. Observations/Recommendations which have been accepted by the Government: (Para Nos. 1, 2, 3, 4, 6, 7, 8, 9, 10, 11 and 12)	11	91.67
III. Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies: (Nil)	Nil	—
IV. Observations/Recommendations in respect of which Government's replies have not been accepted by the Committee and which requires reiteration: (Para No. 5)	01	8.33
V. Observations/Recommendations in respect of which final replies of the Government are of interim in nature: (Nil)	Nil	—
Total	12	100%

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