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**STANDING COMMITTEE ON
RAILWAYS
(2017-18)
SIXTEENTH LOK SABHA**

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

**[Action taken by Government on the recommendations/observations contained in
the 16th Report of the Standing Committee on Railways (Sixteenth Lok Sabha) on
'Outstanding Dues for Indian Railways']**

TWENTIETH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

AUGUST, 2018/ SHRAVANA, 1940 (SAKA)

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(2017-18)**

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**[Action taken by Government on the recommendations/observations
contained in the 16th Report of the Standing Committee on Railways
(Sixteenth Lok Sabha) on 'Outstanding Dues for Indian Railways']**

Presented to Lok Sabha on 07.08.2018

Laid in Rajya Sabha on 07.08.2018



**LOK SABHA SECRETARIAT
NEW DELHI**

AUGUST, 2018/ SHRAVANA, 1940 (SAKA)

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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 Lakhan Lal Sahu
17. Shri Rajeev Satav
18. Shri G.M. Siddeshwara
19. Shri Ganesh Singh
20. Shri Uday Pratap Singh
21. Vacant **

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. Ms. Saroj Pandey#

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

* Shri Bashistha Narain Singh retired w.e.f. 02.04.2018 vide Committee Branch-I note dated 16.01.2018 and nominated w.e.f. 02.06.2018 vide Bulletin Part II no. 6894 dated 07.06.2018.

Ms. Saroj Pandey was nominated w.e.f. 02.06.2018 vide Bulletin Part II no. 6894 dated 07.06.2018 in place of Darshan Singh Yadav who retired w.e.f. 02.04.2018 vide Committee Branch-I note dated 16.01.2018.

** Shri Mekapati Rajamohan Reddy resigned w.e.f. 20.06.2018 vide Bulletin Part II No. 6904 dated 21.06.2018.

LOK SABHA SECRETARIAT

- | | | | |
|----|----------------------------|---|------------------|
| 1. | Smt. Abha Singh Yaduvanshi | - | Joint Secretary |
| 2. | Shri Arun K. Kaushik | - | Director |
| 3. | Shri R.L. Yadav | - | Deputy Secretary |
| 3. | Dr. Mohit Rajan | - | Under Secretary |

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 Twentieth Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in their Sixteenth Report (Sixteenth Lok Sabha) on 'Outstanding Dues for Indian Railways'.

2. The Sixteenth Report was presented to the Lok Sabha and laid in the Rajya Sabha on 10.08.2017/09.08.2017. The Report contained 13 recommendations/observations. The Ministry of Railways furnished their Action Taken Notes on all the recommendations/observations contained in the Report on 27.04.2018.

3. The Committee considered and adopted the Draft Action Taken Report at their sitting held on 02.08.2018. The minutes of the sitting are given in Appendix-I.

4. For facility of reference and convenience, the observation and recommendations of the Committee have been printed in bold letters.

5. An analysis of the Action Taken by Government on the recommendations/observations contained in the Sixteenth Report of the Standing Committee on Railways (Sixteenth Lok Sabha) is given in Appendix-II.

NEW DELHI:
02 August, 2018

11 Shravana, 1940 (Saka)

SUDIP BANDYOPADHYAY
Chairperson,
Standing Committee on Railways

CHAPTER I

REPORT

This Report of the Standing Committee on Railways deals with the action taken by the Government on the Recommendations/Observations contained in their Sixteenth Report (16th Lok Sabha) on "Outstanding Dues for Indian Railways".

2. The Sixteenth Report was presented to the Lok Sabha and laid in Rajya Sabha on 10.08.2017 and 09.08.2017 respectively. It contained 13 Recommendations/Observations.

3. Action Taken Notes in respect of all the Recommendations/Observations have been received and categorised as follows:

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

Para Nos. 1, 2, 3, 5, 8, 9, 10, 11 and 12

Total : 9
Chapter II

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

Para No. NIL

:NIL

Total
Chapter III

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

Para No. 7

Total : 01
Chapter IV

(iv) Recommendations/observations in respect of which final replies are still awaited:-

Para Nos. 4, 6 and 13

Total : 03
Chapter

4. The Committee trust that utmost importance will be given to the implementation of the Recommendations accepted by the Government. The Committee desire that final action taken notes to the Recommendations/Observations contained in Chapter-I and Chapter-V of this Report should be furnished to them not later than three months of the presentation of this Report.

5. The Committee will now deal with the action taken by the Government on some of their recommendations/observations.

A. TOTAL STATION OUSTANDINGS

Recommendation (Para No.3)

6. In their 16th Report, the Committee had recommended as under:

“The Committee are unhappy to note that out of the total station outstandings of ₹1764.09 crore at the end of May, 2017, around ₹783.71 crore i.e. 44.42% owe to various State Electricity Board (SEBs)/Power Houses (PHs). Further, out of ₹ 783.71 crore, the major outstanding dues of ₹446.96 crore are against Punjab State Electricity Board (PSEB), ₹45.33 crore against Rajasthan State Electricity Board (RSEB), ₹114.28 crore against Delhi Vidyut Board (DVB), ₹46.37 crore against Maharashtra State Electricity Board (MSEB), ₹38.76 crore against West Bengal State Electricity Board and ₹60.54 crore against Uttar Pradesh State Electricity Board. Further, the outstanding dues against SEBs/PHs have slightly decreased to ₹783.71 crore in May, 2017 from ₹869.36 crore in May, 2016. In view of the foregoing, the Committee feel that there is an urgent need to initiate concrete steps by the Ministry of Railways against those SEBs/PHs having major share of outstanding dues for recovery of the same at the highest level so as to recover these outstanding dues. This will help in deploying the vital resources in some productive areas in Railways.”

7. In their Action Taken Replies, the Ministry of Railways have stated as under:

“To reduce the outstanding dues to a minimum level, Zonal Railways have been advised to hold regular meetings with the Power Houses against which there are heavy arrears in order to persuade them to make payments of both current as well as old outstanding dues.

In order to further strengthen the monitoring of outstanding dues of Power Houses a system of age wise monitoring of dues is being introduced. The format is as follows”:

Format for Monitoring of Outstanding due of Power Houses/State Electricity Boards

SNo.	Name of PH/SEB	Amount of Outstanding to end of July 2017 (in cr of Rs)	If under litigation, the next date of hearing	Date of meetings held in past with PH/SEB	Date of next meeting fixed with PH/SEB
		More than One Year Old	Less than One Year Old		

8. The Committee had raised their concerns regarding recovering of outstanding dues from various State Electricity Boards/Power Houses and had urged the Ministry to take concrete steps at the highest level. In this regard, the Committee take note of the efforts made by the Ministry in terms of holding regular meetings with Power Houses and introducing a system of monitoring. The Committee expected that besides persuasion, the level of persuasion could also be raised. Therefore, while reiterating their earlier recommendation, they would like to emphasize on the Ministry to pursue the matter of recovery of outstanding dues with the Electricity Boards more vigorously.

B. ISSUE OF EMPANELLED LAWYERS WITH RAILWAYS**Recommendation (Para No. 7)**

9. The Committee had recommended as under:

“The Committee are not impressed to learn that Railways appoint the advocates on their panels, only after interaction held by Legal Adviser, Railways and recommendations of General Manager (GMs) of the concerned Zonal Railways. They have been informed that in respect of lower courts, the GMs of the concerned Zonal Railways are the competent authority for empanelment of advocates, falling within their jurisdiction. Railways empanel the advocates for a period of 3 years and are being granted extension on the recommendation from Zonal Railways. According to the Ministry, a total of 414 Advocates are in the panel of Railway Advocates (for all High Courts and CATs), for more than 5 years. The Committee find it disturbing to note that the court cases with respect to outstanding dues such as PSEB is pending since 2002, and has not yet reached to a conclusive end. It reflects poorly on the presentation of the case(s) by the advocates in the panel of

Railways. The Committee are of the considered opinion that the role of advocates is very important in proceedings / decision / final outcome in any court case and hence it is absolutely necessary that in future Ministry of Railways should appoint experienced advocates of repute on their panels so that their cases pending in various courts can be contested forcefully, presented properly and decided in certain time-frame. They equally emphasise on the need to relook on the procedure for appointment of the advocates on the Railway panels with grant of extension only in rarest of the rare cases."

10. In their Action Taken Replies, the Ministry of Railways have submitted as under:

"The panel of Railway advocates is formed as per procedure laid down in Legal Dte. letter no 84/LC/14/N/1 dated 05.11.1985 and 27.07.2015. The advocates are selected on the bases of recommendation of Zonal Railways and after holding personal talks with them. The names of the selected panels are duly approved by Hon'ble Minister for Railways and Minister for Law & Justice. As such it is felt that presently there is no need to review the existing procedure."

11. In their Report, the Committee had recommended the Railways to appoint experienced advocates of repute on their panel to contest the cases of Railways forcefully and presented properly in order to get them settled in a fixed time frame. The pendency of the cases to the extent of more than 15 years had led the Committee to believe that there was something lacking in the competency of the advocates pursuing these cases. Therefore, with a view to improve the method of empanelment of advocates in order to bring them the cases to a conclusive end, the Committee had desired to review the system. In their action taken replies, the Ministry have stated that the advocates are selected on the basis of recommendation of Zonal Railways and after holding personal talks with them and finally approved by Hon'ble Minister for Railways and Ministry of Law and Justice. As such there is no need to review the existing procedure. The Committee are apprehensive about the due selection process at the time of recommendation at Zonal level itself as the results in pendency of cases for more than 15 years reflect the quality of advocates empanelled with Railways. Furthermore, the grant of extension of the term of these empanelled advocates beyond 3 years by Zonal Railways becoming a matter of routine rather than exception also raises serious questions which needs review of this system atleast at Zonal level from where the recommendations are

coming forward. Therefore, the Committee strongly reiterate their earlier recommendation and urge the Ministry to take the recommendations of the Committee in right spirit and review the system of empanelment of the advocates with a view to plug the loopholes in the system.

CHAPTER-II
RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED
BY THE GOVERNMENT

Recommendation (Para No. 1)

GENERAL

The Committee were apprised that earnings of Railways are accounted for, monthly on accrual basis. Some of these earnings are, however realized in subsequent months and the unrealised earnings are monitored through Railways Traffic Account Suspense comprising Station Outstanding, Cash-in-Transit, Accounts Office Balance Sheet, Miscellaneous and Demands Recoverable. It is a matter of consolation that the outstanding dues of Indian Railways have shown a declining trend in July, 2016 as compared to July, 2015. The outstanding dues which were ₹3404.03 crore in July, 2015 have slightly come down to ₹3082.47 crore in July, 2016 but marginally increased to ₹3117.19 crore in May, 2017. The Committee have been apprised that Zonal Railways have been informing the Ministry, every month, regarding the outstanding dues of traffic Suspense to Railway Board's office, for compilation and the Zonal Railways, whose position reflect deterioration, are then instructed by the Board regularly, to take all required steps to minimize the outstanding dues. The Committee were also apprised that the Financial Commissioner has written to Financial Advisor and Chief Accounts Officer (FA&CAOs) of Zonal Railways over the position of the outstanding dues, to the end of Oct. 2016 and also advising Zonal Railways whose position has deteriorated. While noting the steps taken by the Railways, for recovery of outstanding dues, the Committee feel that it will be prudent for the Ministry to pay special attention to avoid accumulation of the outstanding dues and take all corrective measures proactively and urgently at an appropriate level promptly so that the total outstandings can be brought to the bare minimum progressively.

Reply of the Government

Ministry of Railways have taken note of the Directions of the committee and all possible measures will be taken to ensure that fresh accumulation of outstandings are reduced and old outstanding realized.

The concerns of the committee have also been conveyed to field offices, vide Board letter dated 21.9.2017 addressed to GMs of Zonal railways. These seek a concrete action plan so that there is progressive clearance in outstanding dues.

Recommendation (Para No. 2)

The Committee observe that the Railways had kept very meagre yearly targets of around ₹100 crore or less and at times only ₹50 crore for last 10 years, that is, since the year 2005-06 till the year 2015-16, for clearance of their outstanding dues. It is more disquieting to note that even these targets remained unachieved over all these years except in the years 2006-07 and 2015-16. For the year 2016-17, the outstandings have again risen to ₹1673.62 crore as compared to outstandings of ₹1666.89 crore in the year 2015-16. The shortfall in achievement of targets is attributed to reasons like un-anticipated events of disputes by parties, closure of siding, Court cases etc. The Committee do not consider these reasons adduced by the Ministry as unexpected, particularly when the matter is connected with the recovery of dues. The Committee expect that the Ministry would make utmost efforts to realise the targets fixed for the year 2017-18 and in subsequent years, for recovery of their outstanding dues more so considering the fact that it is a matter of a huge sum of ₹3000 crore and odd. The Committee further urge the Ministry to keep the targets for recovery of outstanding dues more realistic *vis-à-vis* the total outstandings and fix them on slightly higher side. They should strive hard to achieve the yearly targets. The Committee urge the Ministry to direct the officers / staff about the utmost importance of reducing the outstandings at stations to the minimum. The Station Master should, therefore, personally involve himself / herself in periodically scrutinizing the outstandings at his/her Station with a view to arranging for expeditious clearance.

Reply of the Government

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Recommendation (Para No. 3)

The Committee are unhappy to note that out of the total station outstandings of ₹1764.09 crore at the end of May, 2017, around ₹783.71 crore i.e. 44.42% owe to various State Electricity Board (SEBs)/Power Houses (PHs). Further, out of ₹783.71 crore, the major outstanding dues of ₹446.96 crore are against Punjab State Electricity Board (PSEB), ₹45.33 crore against Rajasthan State Electricity Board (RSEB), ₹114.28 crore against Delhi Vidyut Board (DVB), ₹46.37 crore against Maharashtra State Electricity Board (MSEB), ₹38.76 crore against West Bengal State Electricity Board and ₹60.54 crore against Uttar

Pradesh State Electricity Board. Further, the outstanding dues against SEBs/PHs have slightly decreased to ₹783.71 crore in May, 2017 from ₹869.36 crore in May, 2016. In view of the foregoing, the Committee feel that there is an urgent need to initiate concrete steps by the Ministry of Railways against those SEBs/PHs having major share of outstanding dues for recovery of the same at the highest level so as to recover these outstanding dues. This will help in deploying the vital resources in some productive areas in Railways.

Reply of the Government

To reduce the outstanding dues to a minimum level, Zonal Railways have been advised to hold regular meetings with the Power Houses against which there are heavy arrears in order to persuade them to make payments of both current as well as old outstanding dues.

In order to further strengthen the monitoring of outstanding dues of Power Houses a system of age wise monitoring of dues is being introduced. The format is as follows:

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		More than One Year Old	Less than One Year Old		

Comments of the Committee (Please see recommendation para no. 8 of Chapter I)

Recommendation (Para No. 5)

The Committee note the measures taken by the Railways to end the accumulation of outstanding dues in respect of SEBs/PHs, by making prepayment of freight compulsory for booking of coal for all SEBs/PHs. Further, prepayment of freight is done through electronic-payment system and payment is collected electronically within a fraction of minutes from their bank account before issue of Railway Receipts, thus dismissing any possibility of outstanding on account of freight. Also, there is a provision of Letter of Credit (LC)/Bank Guarantee (BG). Railway may claim and recover from the bank, funds equal to the amount of the LC/BG at any time towards freight charges recoverable. The Committee find it equally significant that in 15 States, where generation units of SEBs have transaction

with Railways for movement of coal are covered under e-payment system and make the system transparent. The Committee feel that these steps are in right directions and hope that Ministry would continue to take such progressive measures to check accumulation of outstanding dues by covering other States also.

Reply of the Government

The appreciation expressed by the Committee is gratefully acknowledged. Efforts in this direction will continue.

COMPUTER AND INFORMATION TECHNOLOGY (CIT)

Recommendation (Para No. 8)

The Committee note with some satisfaction that Railways has started using CIT facilities for issuing of tickets in Ministry of Defence. Ministry of Defence has started maintaining Rolling Deposit System (RDS) account with IRCTC, for booking of e-tickets/i-tickets, by depositing a specified amount in advance to which the payment against booking of e-tickets/i-tickets is charged and this account is recouped periodically to maintain the minimum amount in this account. Out of 10,000 defence units, 5000 units have been issued e-tokens, login Ids and passwords so far, for using the Defence Travel System (DTS) for booking of e-tickets/ i-tickets through IRCTC. Defence Travel System for defence personnel has been developed through IRCTC, to replace bookings against warrants. As informed, about 30 percent of Army units are located in remote/locations/ships on board where there is no access to internet facility. In such case, the Committee would like the Ministry of Railways to concentrate on those defence units which are having internet facilities, for provision of e-ticketing until expansion of Internet facilities in areas not connected with Internet. In this regard, the Committee would like to emphasize on data collection and sharing about the total number of defence units having internet facilities but not yet issued e-tokens, login Ids and passwords for using the DTS so that these areas are also assimilated in the system as far as possible.

Reply of the Government

Identification of defence units and allotment of e-tokens to Defence units for online booking of tickets by defence personnel is responsibility of the Ministry of Defence. Ministry of Defence have identified approximately 900 Defence units which are not to be considered for implementation of Defence Travel System due to being minor units. There are approximately 5200 core Army units out of which 3400 units have already collected e-tokens and rest approximately 1600 units are of Tri-services. Most of these units are in areas without/poor internet connectivity. Approximately 3800 units have a mix of civilians and Tri-services personnel which are under jurisdiction of Ministry of Defence or Ministry

of Home Affairs and other miscellaneous institutions and provision of e-tokens to such units is under examination of MoD. Ministry of Defence has been progressively covering defence units under DTS and presently, approximately 5495 Defence units have been provided with tokens/IDs by CGDA for booking tickets online. However, Ministry of Defence has been advised to cover all the Defence units under Defence Travel System for booking e-tickets and to completely dispense with the issue of warrants in the current year. Ministry of Defence has also approached DoT regarding networking issues for the Defence units in order to bring them on board the DTS.

Recommendation (Para No. 9)

The Committee find that the Railways have also requested Ministry of Home Affairs to develop system of booking of e-tickets/i-tickets for para-military forces through IRCTC by opening an RDS account with IRCTC similar to the one developed for Defence units, for discontinuing booking against warrants. The Committee would like the Ministry of Railways to pursue the matter with the Ministry of Home Affairs, for opening of an RDS account with IRCTC and keep them informed of the progress in this regard. In fact, they would emphasize that all such Ministries/Departments/Government establishments who provide the travel facility to their own employees on credit basis should be brought on this e-platform or Rolling Deposit Schemes in association with IRCTC so as to bring about prompt advance payment in line with DTS for Railways.

Reply of the Government

As far as extending e-ticketing facility to para-military personnel is concerned, Ministry of Home Affairs have been requested to develop a similar software as has been developed by CGDA in case of DTS for integration with the IRCTC e-ticketing system. MHA has also been requested to nominate a single authority in the Ministry of Home Affairs to act as the nodal authority for different organizations under MHA in the matter.

CASH OFFICE DISALLOWANCE

Recommendation (Para No. 10)

The Committee are concerned to find that during the last 10 years, ₹1,11,18,703 of base coins or forged currency notes were noticed by the Railways when cash received from station is shroffed in the cash office. Out of the same, ₹66,16,175 have been made good from staff and ₹45,02,528 are still to be recovered. The Committee note the steps taken by railways to check the receipt of forged currency notes in the railway booking counters viz., use of e-mode of payment of railway dues, installation of currency counting/fake currency detecting machines at booking counters etc. and also training of some staff by RBI/SBI/Nationalized Bank/Private Bank to detect Fake Indian Currency

Notes (FICN). In this regard, Railways have asked Zonal Railways to procure and install Fake Currency Detecting Machines at Reservation Offices, Passenger Reservation System Terminals, and Goods Booking Offices etc. where cash is transacted in huge amount after making assessment of their need. In view of the huge amount of fake currency being received at railway stations booking counters, the Committee feel that fake currency detecting machine is the need of the day and therefore, such machines should be procured timely and installed at appropriate places. They would also like to be apprised of the number of such machines procured viz-a-viz installed in each zone by the Railways during 2016-17 and proposed to be installed during 2017-18. Further, necessary training should extensively be provided to staff at Railway's receiving counters by the RBI/SBI/Nationalized Banks / Private Banks to identify fake Indian currency Notes.

Reply of the Government

Instruction dated 13.09.2007 already exists with Zonal Railways for procurement of Fake Currency detecting Machines at large booking/PRS offices. Further, the same has also be reiterated dated 29.05.2017 for installation of Fake Currency detecting Machines at large booking/PRS offices/stations and it has been directed for proper training to cash handling staffs for detection of fake currency notes.

As regards number of Fake currency detection Machines, the information is being collected from zonal Railways.

ALLEGED IRREGULARITIES IN TRANSPORTATION OF IRON ORE

Recommendation (Para No. 11)

The Committee gather that there were cases of alleged irregularities in transportation of Iron ore by various companies which were detected during 2008. When these cases came to the notice of the Ministry of Railways, those cases were immediately handed over to CBI for investigation. As per the CBI investigations, accused companies had availed concessional freight for the transportation of Iron Ore by submitting invalid documents and false declaration that the iron ore would be used for domestic consumption whereas the said iron ore was illegally diverted for export and local trading. On this account, Railways suffered losses to the tune of ₹6730.16 crore, out of which only ₹172.59 crore, that is 2.56%, has been recovered from delinquent firms and still the pending amount is remaining to the tune of ₹6557.57 crore. As Railways had remained a victim of freight evasion due to submission of invalid documents and false declarations by the companies resulting in incurring of losses for the Railways to the tune of ₹6700 crore and odd, the Committee would earnestly desire that at least now Railways should adequately strengthen their manpower in assessing documents, monitoring and verification

mechanism for checking of the documents to make it foolproof in order to avoid losses owing to submission of invalid or incomplete documents. Further, there is an urgent need to ensure strict compliance of laid down provisions and enforcement of initial scrutiny and check, at all the stages right from assessment of requirement of rakes, allotment of rakes, acceptance of indents to loading and unloading. They also emphasize that while laying down Rate Circulars, Railway Board should frame detailed guidelines for Zonal Railways laying down clearly the procedure to be followed to ensure complete check of essential documentation establishing the nature of use of Iron Ore transported and other freight loadings and thereby earnings by Rail. The Committee also emphasize on the ensuring that the extant Rules and Orders on the clearances of freight outstandings should be strictly observed and adhered to by all the Staff.

Reply of the Government

The concern shown by Committee is appreciated and noted. Efforts are being made to make the Rates Circular more exhaustive by clearly indicating the conditions subject to which the Rates will apply, procedures to be followed for implementation, as to how the monitoring will be done etc. through suitable instructions. Recently, a general advisory has been issued to Zonal Railways regarding inspections and monitoring with reference to policy guidelines issued by Railway Board. Moreover, now the Railway Board's endeavor is to strengthen and rely on IT system and reduce the need itself for submission of manual documents.

Recommendation (Para No. 12)

The Committee further note that as per the recommendations of CBI, the sanction for prosecution against one Gazetted official and 'Regular Department Action' – Major penalty against one Gazetted official and 5 non- Gazetted officials, are under process. Further, SP/CBI/Kolkata has been requested to provide the draft charge-sheet along with related documents for Regular Departmental Action' – Minor penalty and action 'Deem Fit' against 56 of the delinquent railway officials. Also, the post-retirement benefits of 2 officials of Eastern Railway have been withheld till finalization of the respective cases. The Committee urge the Ministry to pursue the matter vigorously so that suitable action is taken against the erring officials. The Committee may be kept abreast of the development.

Reply of the Government

Directions of Hon'ble Committee have been noted for compliance. The sanction for prosecution against one Gazetted officer has already been obtained from the

competent authority and conveyed to the CBI. The 'Regular Departmental Action' upon the delinquent railway officials is being regularly monitored and position is being updated.

The Hon'ble Committee shall be kept abreast of the development.

CHAPTER – III
RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT
DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT’S REPLIES

- NIL -

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

Recommendation (Para No. 7)

The Committee are not impressed to learn that Railways appoints the advocates on their panels, only after interaction held by Legal Adviser, Railways and recommendations of General Manager(GMs) of the concerned Zonal Railways. They have been informed that in respect of lower courts, the GMs of the concerned Zonal Railways are the competent authority for empanelment of advocates, falling within their jurisdiction. Railways empanel the advocates for a period of 3 years and are being granted extension on the recommendation from Zonal Railways. According to the Ministry, a total of 414 Advocates are in the panel of Railway Advocates (for all High Courts and CATs), for more than 5 years. The Committee find it disturbing to note that the court cases with respect to outstanding dues such as PSEB is pending since 2002, and has not yet reached to a conclusive end. It reflects poorly on the presentation of the case(s) by the advocates in the panel of Railways. The Committee are of the considered opinion that the role of advocates is very important in proceedings / decision / final outcome in any court case and hence it is absolutely necessary that in future Ministry of Railways should appoint experienced advocates of repute on their panels so that their cases pending in various courts can be contested forcefully, presented properly and decided in certain time-frame. They equally emphasise on the need to relook on the procedure for appointment of the advocates on the Railway panels with grant of extension only in rarest of the rare cases.

Reply of the Government

The panel of Railway advocates is formed as per procedure laid down in Legal Dte. letter no 84/LC/14/N/1 dated 05.11.1985 and 27.07.2015. The advocates are selected on the bases of recommendation of Zonal Railways and after holding personal talks with them. The names of the selected panels are duly approved by Hon'ble Minister for Railways and Minister for Law & Justice. As such it is felt that presently there is no need to review the existing procedure.

Comments of the Committee
(Please see recommendation para no. 11 of Chapter I)

CHAPTER – V
RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES
ARE STILL AWAITED

Recommendation (Para No. 4)

The Committee are apprised that as on October, 2009, outstanding dues against PSEB was ₹475.73 crore which have slightly come down to Rs. 446.96 crore as on May, 2017. PSEB has disputed the outstanding dues against them, and the issue is pending since 2002. At present, the case is pending before the Hon'ble High Court of Punjab & Haryana at Chandigarh and the next date of hearing has been fixed for 23.10.2017. In the light of the fact that more than 15 years have passed and the case is still pending, the Committee are inclined to believe that the Ministry has not paid serious attention to pursue the matter for recovery of the outstanding dues of ₹446.96 crore against PSEB. The Committee, therefore, impress upon the Ministry to intensify their efforts in this direction and expedite the matter. They would like to be kept informed of the status of the aforesaid case after its hearing in High Court of Punjab & Haryana on 23.10.2017.

Reply of the Government

Since the matter of outstanding dues of PSEB (now PSPCL) is sub-judice, there is not much scope for Railways to expedite settlement of the issue. Nevertheless, the court case is being closely monitored. As desired by the Committee, the status of the aforesaid case will be informed after its hearing in High Court of Punjab & Haryana at Chandigarh on 23.10.2017.

Recommendation (Para No. 6)

The Committee were informed that the Committee constituted to examine the case with regard to outstanding dues of DVB, has submitted its report on 26.01.2016 to FA&CAO & Chief Commercial Manager (CCM), Northern Railway. CCM, Northern Railway has, however desired to establish the correctness of methodology adopted by the stated Committee in arriving of the figures of outstanding dues against DVB/Indraprastha Power Generation Corporation Limited (IPGCL). The Committee would like to be informed of the criteria adopted and correctness of methodology regarding the outstandings. The Committee are hopeful that the Ministry will soon recover the outstanding dues from DVB/IPGCL expedite the matter with the Ministry of Power for reconciliation of the stated Outstanding Dues of ₹114.84 crores to identify any possible impact of readjustment in

methodology of calculations in wake of dissolution of DVB and would like to be kept apprised of the development in the matter.

Reply of the Government

The methodology worked out by Committee has not been accepted by Northern Railway and accordingly outstanding dues stand at ₹114.84 crore. The realization of this amount will be pursued with the Ministry of Power in view of the fact that now DVB stands dissolved. The Hon'ble Committee shall be kept abreast of the development.

Recommendation (Para No. 13)

The Committee learn that Railways have served Demand-cum- Show Cause Notices in all the 47 cases on the defaulting companies in respect of misleading declaration in Iron Ore traffic for different periods. However, most of these companies approached court of law seeking relief. According to the Ministry, the then Attorney General of India advised Railways to file Money Suits against the defaulting companies to guard against possible transgression of Limitation Act, 17, Money Suits amounting to Rs. 3168,73,66,821/- have been filed. Railways are now coordinating with learned Solicitor General for ensuring early listing and hearing of the case in Hon'ble Supreme Court of India. In view of the above, the Committee desire the Ministry of Railways to vigorously pursue the matter at the appropriate level so that the documentation on their own part is on preparedness for early listing and prompt recovery.

Reply of the Government

Ministry of Railways is regularly pursuing the matter for early hearing. The case is likely to be listed for hearing in November, 2017.

New Delhi;

02 August, 2018

11 Shravana, 1940 (Saka)

**SUDIP
BANDYOPADHYAY
Chairperson
Standing Committee on
Railways**

Appendix I

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

The Committee met on Thursday, the 2nd August, 2018 from 1500 hrs. to 1615 hrs.
in Committee Room 'B', PHA, New Delhi.

PRESENT

Shri Motilal Vora - In the Chair

MEMBERS

LOK SABHA

2. Shri Ram Tahal Choudhary
3. Shri Ramesh Chander Kaushik
4. Shri Gajanan Kirtikar
5. Shri K.H. Muniyappa
6. Shri R. Radhakrishnan
7. Shri Lakhan Lal Sahu
8. Shri Rajeev Satav
9. Shri Uday Pratap Singh

RAJYA SABHA

10. Shri Shwait Malik
11. Shri Mukut Mithi
12. Mahant Shambhuprasadji Tundiya
13. Shri Bashistha Narain Singh

SECRETARIAT

- | | | |
|-------------------------|---|------------------|
| 1. Shri R.C. Tiwari | - | Joint Secretary |
| 2. Shri Arun K. Kaushik | - | Director |
| 3. Shri Ram Lal Yadav | - | Deputy Secretary |

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2. In the absence of Chairperson, the Committee chose Shri Motilal Vora to act as Chairperson for the sitting under the provision of Rule 258(3) of Rules of Procedure and Conduct of Business of Lok Sabha which *interalia* states as under:

“258(3) If the Chairperson is absent from any sitting; the Committee shall choose another member to act as Chairperson for that sitting.”

3. At the outset, the Convener welcomed the Members to the sitting of the Committee. The Committee took up for consideration the following draft Reports and adopted them without any modifications:

(i) Draft Report on Action Taken by the Government on the Recommendations/ Observations contained in their 16th Report on “Outstanding Dues for Indian Railways”

(ii) XXXX

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4. The Committee authorized the Chairperson to finalise the Reports in light of the factual verification received from the Ministry of Railways and present the same to the Parliament.

5. XXXXX XXXXX XXXXX XXXXX

6. XXXXX XXXXX XXXXX XXXXX

7. XXXXX XXXXX XXXXX XXXXX

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

The Committee then adjourned.

APPENDIX II
ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE
RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE 16TH REPORT
(16TH LOK SABHA) ON "OUTSTANDING DUES FOR INDIAN RAILWAYS"

Total number of Recommendations/Observations	13
(i) Recommendations/Observations which have been accepted by the Government – Para Nos. 1,2,3,5,8,9,10,11 and 12	9
Percentage of total	69.23%
(ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies – Para No. NIL	0
Percentage of total	--
(iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration – Para No. 7	1
Percentage of total	7.69%
(iv) Recommendations/Observations in respect of which final replies are still awaited - Para Nos. 4, 6 and 13	3
Percentage of total	23.08%