

13

**STANDING COMMITTEE
ON RAILWAYS
(2003)**

THIRTEENTH LOK SABHA

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

**DEMANDS FOR GRANTS
(2003-2004)**

THIRTEENTH REPORT



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 2003/Chaitra, 1925 (Saka)

**Corrigenda to the 13th Report of the Standing Committee on Railways on Demands
for Grants – 2003-04 of the Ministry of Railways**

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84	205	17	where abouts	whereabouts
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85	207	2	transshipment	transshipment
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92	221	14	urgency	haste

THIRTEENTH REPORT
STANDING COMMITTEE ON RAILWAYS
(2003)

(THIRTEENTH LOK SABHA)

MINISTRY OF RAILWAYS
(RAILWAY BOARD)

DEMANDS FOR GRANTS
(2003-2004)

Presented to Lok Sabha on 10.4.2003

Laid in Rajya Sabha on 10.4.2003



LOK SABHA SECRETARIAT
NEW DELHI

April, 2003/Chaitra, 1925 (Saka)

S.C.R. No. 71

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COMPOSITION OF THE STANDING COMMITTEE
ON RAILWAYS (2003)

Shri K. Yerrannaidu—*Chairman*

MEMBERS

Lok Sabha

2. Dr. (Smt.) Anita Arya
3. Shri Ramdas Athawale
4. Dr. Baliram
5. Shri Avtar Singh Bhadana
6. Shri M. Chinnasamy
7. Smt. Santosh Chawdhary
8. Shri Priya Ranjan Dasmunsi
9. Shri Manikrao Hodlya Gavit
10. Shri Anant Gudhe
11. Shri Moinul Hassan
12. Dr. Madan Prasad Jaiswal
13. Shri Muni Lall
14. Smt. Abha Mahato
15. Shri Salkhan Murmu
16. Smt. Ranee Narah
17. Shri Laxmanrao Patil
18. Shri Jaibhan Singh Pawaiya
19. Shri Sohan Potai
20. Shri G. Ganga Reddy
21. Dr. Jayanta Rongpi
22. Shri Prabhat Samantaray
23. Smt. Sushila Saroj
24. Dr. Nitish Sengupta
25. Shri Shashi Kumar
26. Shri Bahadur Singh
27. Shri Rajo Singh
28. Shri Bhupendra Sinh Solanki
29. Smt. Sangeeta Kumari Singh Deo
30. Shri Suresh Chandel

(iv)

Rajya Sabha

31. Maulana Obaidullah Khan Azmi
32. Shri Karnendu Bhattacharjee
33. Shri Nabam Rebia
34. Shri Raju Parmar
35. Dr. A.K. Patel
36. Shri Abhay Kant Prasad
37. Shri Surendra Lath
38. Shri Tarini Kanta Roy
39. Dr. Alladi P. Rajkumar
40. Shri N. Jothi
41. Shri S.R. Bommai
42. Dr. Arun Kumar Sarma
43. Shri Abani Roy
44. Shri Harendra Singh Malik
45. Shri Bashistha Narain Singh

SECRETARIAT

- | | | |
|-------------------------------|---|--------------------------------|
| 1. Smt. P.K. Sandhu | — | <i>Joint Secretary</i> |
| 2. Shri V.S. Negi | — | <i>Deputy Secretary</i> |
| 3. Smt. Abha Singh Yaduvanshi | — | <i>Assistant Director</i> |
| 4. Shri U.C. Bharadwaj | — | <i>Sr. Committee Assistant</i> |
| 5. Smt. Archana Srivastava | — | <i>Sr. Committee Assistant</i> |

INTRODUCTION

1. I, the Chairman of Standing Committee on Railways (2003), having been authorised by the Committee to present the Report on their behalf, present this Thirteenth Report of the Standing Committee on Railways (2003) on Demands for Grants (2003-2004) of the Ministry of Railways.

2. The Committee considered and finalized on 5th March, 2003 the list of points for seeking information on certain issues relating to the subject. They took evidence of the representatives of the Ministry of Railways on 24th & 28th March, 2003 in connection with the examination of the Demands for Grants, (2003-2004) of the Ministry of Railways.

3. The Committee considered and adopted the Report at their sitting held on 3rd & 8th April, 2003. Minutes of the sittings held on 5th, 24th, 28th March and 3rd & 8th April, 2003 form Part-II of the Report.

4. The Committee wish to express their thanks to the officers of the Ministry of Railways (Railway Board) for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the Demands for Grants (2003-2004) and sharing with them the issues concerning the subject which came up for discussion during evidence.

NEW DELHI;
8 April, 2003

18 Chaitra, 1925 (Saka)

K. YERRANNAIDU,
Chairman,
Standing Committee on Railways.

REPORT

INTRODUCTORY

India is a land of diverse culture and Indian Railways play a key role in not only meeting the transport needs of the country, but also in binding together dispersed areas and promoting national integration. Indian Railways have emerged as the sinews of the Indian economy and have reached out to bring together the great Indian family. The Railways traverse through the length and breadth of the country covering 63,140 route kms comprising broad gauge (45,099 Kms.), meter gauge (14,776 kms.) and narrow gauge (3,265 Kms.) as on 31.3.2002. As the principal constituent of the nation's transport system Indian Railways own a fleet of 2,16,717 wagons (units), 39,236 coaches and 7,739 number of locomotives and manage to run 14,444 trains daily, including about 8,702 passenger trains. They carry more than a million tonne of freight traffic and about 14 million passengers covering 6,856 number of stations daily. The Indian Railways have been the prime movers to the nation and have the distinction of being one of the largest Railway systems in the world under a single management. The Railways being the more energy efficient mode of transport are ideally suited for movement of bulk commodities and for long distance travel. As compared to road transport, the railways have a number of intrinsic advantages. The railways are five to six times more energy efficient, four times more efficient in land use and significantly superior from the standpoints of environment impact and safety. The Railways, therefore, plays an important role in the growth and development of the nation.

2. The Railways being the prime infrastructure sector of the country, need to expand and develop to keep pace with the growth of Indian Economy. They have to perform a dual role of commercial organisation and vehicle for fulfillment of social obligations.

3. The Railway Finances were separated from General Finances of the Central Government in 1924 to secure stability for civil estimates by providing for an assured contribution from the Railway Revenues and also to introduce flexibility in the administration of Railway Finances. Thereafter, there was a complete separation of the Railway Budget from the General Budget. The Railway Budget is presented to the Parliament before the presentation of General Budget.

4. The Minister of Railways has presented the Railway Budget for the year 2003-2004 on 26th February, 2003. The Budget Statement shows the total revenue receipts, revenue and works expenditure, distribution of the Railways' excess of receipts over expenditure and position of various funds which the Railways keep with the Central Government, viz., Depreciation Reserve Fund, Development Fund, Pension Fund, Capital Fund, Railway Safety Fund and Special Railway Safety Fund.

5. The Revenue receipts of the Railways consist of earnings from passenger traffic, other coaching earnings (which include parcels and luggage), earnings from goods traffic and sundry other earnings like rent, catering receipts, interest and maintenance charges from outside bodies, commercial utilization of land and air space and commercial publicity on rolling stock and station buildings, etc.

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

7. The expenditure incurred by the Railways is on Revenue account and on Works account. The Revenue account consists of Ordinary Working Expenses incurred by the various Departments of the Railways in their day to day working and other miscellaneous expenditure like the expenditure on Railway Board, Audit Surveys and other 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 and appropriation to the Special Railway Safety Fund. The Revenue Account also includes appropriation to the Depreciation Reserve Fund, Pension Fund and dividend paid by the Railways to the General Revenues. Appropriation to depreciation Reserve Fund is made annually on the basis of the recommendations of the Railway Convention Committee (RCC) and is intended to finance the cost of new assets replacing old assets including the cost of any improved features that such new assets may have.

Appropriation to pension fund is to finance pension and death-cum-retirement gratuity payments to the Railway Staff. Dividend is payable at the rate of 7% on the dividend paying capital of the Railways. Out of the 7% dividend referred to above, 1.5% of the capital invested upto 31st March, 1964 (less capital entitled to 'subsidy') is for transfer to the State Government in lieu of passenger fare tax to the extent of Rs. 23.12 crore and balance for appropriation to the Railway Safety fund.

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

Demands for Grants, 2003-2004

9. There are following 16 Demands for Grants. The Demands Nos. 1-15 which relate to Revenue account contains expenditure to be incurred on day to day working by the various Departments in the Railways miscellaneous establishments. The Demand No. 16 relates to expenditure to be incurred by the Railways on Works Account.

No. of Demands	Name of the Demands
1	2
1.	Railway Board.
2.	Miscellaneous Expenditure (General).
3.	General Superintendence and Services on Railways.
4.	Repairs and Maintenance of Permanent Way and Works.

1	2
5.	Repairs and Maintenance of Motive Power.
6.	Repairs and Maintenance of Carriages and Wagons.
7.	Repairs and Maintenance of Plant and Equipment.
8.	Operating Expenses—Rolling Stock and Equipment.
9.	Operating Expenses—Traffic.
10.	Operating Expenses—Fuel.
11.	Staff Welfare and Amenities.
12.	Miscellaneous Working Expenses.
13.	Provident Fund, Pension and Other Retirement Benefits.
14.	Appropriation to Funds.
15.	Payment of Dividend to General Revenues.
16.	Assets—Acquisition, Construction and Replacement.

10. Demand-wise budget estimates in 2003-04 are as under:—

Demand No. 1—Railway Board

Voted—Rupees Sixty Eight Crore Ten Lakh Sixty Two Thousand.

11. This Demand contains provision for Salaries and Wages, Dearness Allowance, Productivity Linked Bonus, Overtime Allowance, Other Allowances, Travelling Expenses, Contingent Expenses, Other Expenses, Air Travel (Domestic and Foreign).

12. The budget Estimates for 2003-04 exceeds the Revised Estimates 2002-03 by Rs. 3.14 crore mainly due to incremental effect on Salaries, Allowances and more demand in Contingent Expenses.

Demand No. 2—Miscellaneous Expenditure (General)

Voted—Rupees Two Hundred and Thirty Four Crore Twenty Five Lakh Thirty Eight Thousand.

13. This Demand contains provision for surveys, RDSO, Expenditure on Miscellaneous Establishments, Reimbursement of Cost of Statutory

Railway Audit, Payments to Worked Lines, Subsidised Companies and Miscellaneous charges.

14. The Budget Estimates for 2003-04 under this Demand exceed the Revised Estimates 2002-03 by Rs. 41.34 crore mainly due to additional requirement for surveys for Anti-Collision Device (ACD), Railway Recruitment Board and Training etc.

Demand No. 3—General Superintendence and Services on Railways

Voted—Rupees one Thousand Seven Hundred and Eight Crore Forty Lakh

Charged—Zero.

15. This demand provides for expenditure on General Superintendence and Services on Railways.

16. The Budget Estimates of Rs. 1708.40 crore for 2003-04 under this Demand reflects an increase of Rs. 130.33 crore over the Revised Estimates 2002-03. This comprises an increase of 130.36 crore under 'Voted' portion to provide for payment of Salary (Rs. 2213.60 lakh) Dearness Allowance (Rs. 6717.87 lakh), Other Staff Cost (Rs. 2145.58 lakh), Contingent expenses including cost of computers (Rs. 954.69 Lakh) and Other Miscellaneous Factors (Rs. 1004.65 Lakh); and a decrease of Rs. 2.97 lakh under 'Charged' appropriation due to less payments anticipated in satisfaction of court decrees.

Demand No. 4—Repairs and Maintenance of Permanent Way and Works

Voted—Rupees Three Thousand Two Hundred and Eighty One Crore Forty Six lakh Forty Six Thousand.

Charged—Rupees Two Lakh Sixteen Thousand.

17. This Demand provides for expenditure on Repairs and Maintenance of Permanent Way and Works.

18. The Budget Estimates of Rs. 3281.49 crore under this Demand reflects an increase of Rs. 190.54 crore over the Revised Estimates of 2002-03 comprising an increase of Rs. 191.18 crore under 'Voted' portion to provide for payment of Salary (Rs. 244.90 lakh), Dearness Allowance

(Rs. 7905.29 lakh), Other staff Cost (Rs. 1144.67 lakh), Cost of Materials (Rs. 2108.09 lakh), Contractual Payments (Rs. 5388.59 lakh), Transfer of Dr/Cr (Rs. 1345.65 lakh) and Misc. Factors (Rs. 980.55 lakh); partly offset by a decrease of Rs. 63.95 lakh under 'Charged' appropriation due to less payments anticipated in satisfaction of court decrees.

Demand No. 05—Repairs and Maintenance of Motive Power

Voted—Rupees One Thousand Eight Hundred and Three Crore Thirty Three Lakhs Fifteen Thousand.

Charged—Zero

19. This Demand contains expenditure for Repairs and Maintenance of Motive Power.

20. The Budget Estimates of Rs. 1803.33 crore under this Demand reflects an increase of Rs. 203.28 crore over the Revised Estimates entirely under the 'Voted' portion to provide for payment of Dearness Allowance (Rs. 2059.10 lakh), Other Staff Cost (Rs. 187.96 lakh), Increased Maintenance Activities (Rs. 7382.39 lakh), Contractual payment (Rs. 2545.89 lakh), Transfers of Dr/Cr etc. (Rs. 7667.74 lakh); and for Miscellaneous factors (Rs. 485.98 lakh).

Demand No. 06—Repairs and Maintenance of Carriages and Wagons

Voted—Rupees Three Thousand Three Hundred and Eighty Three Crore Eighty Eight Lakh Forty Six Thousand.

Charged—Zero

21. This demand provides for expenditure on Repairs and Maintenance of Carriages and Wagons.

22. The Budget Estimates of Rs. 3383.88 crore under this Demand reflects and increase of Rs. 203.18 crore over the Revised Estimates of 2002-03 entirely under the 'Voted' portion to provide for payment of Dearness Allowance (Rs. 4657.71 lakh), Wages on POH (Rs. 3601.01 lakh), Other Staff Cost (Rs. 778.022 lakh), Increased Maintenance Activity (Rs. 10407.86 lakh), Contractual payments (Rs. 749.06 lakh) and miscellaneous Factors (Rs. 123.85 lakh).

Demand No. 07—Repairs and Maintenance of Plant and Equipment

Voted—Rupees One Thousand Eight Hundred and Thirty Nine Crore Seventy Six Lakh Ten Thousand.

Charged—Zero

23. This demand is for expenditure on Repairs and Maintenance of Plant and Equipment.

24. The Budget Estimates of Rs. 1839.761 crore for 2003-04 under this Demand reflects an increase of Rs. 156.55 crore over the Revised Estimates of 2002-03. This comprises an increase of Rs. 156.55 crore under 'Voted' portion to provide for payment of Dearness Allowance (Rs. 4319.34 lakh), Wages on POH (Rs. 751.55 lakh), Other staff Cost (Rs. 1394.40 lakh), Increased Maintenance Activity (Rs. 4365.74 lakh), Contractual Payments Rs. (2482.45 lakh) Transfer of Debit/Credit (Rs. 892.81 lakh); and Other Miscellaneous Factors (Rs. 1448.48 lakh); and a decrease of Rs. 0.25 lakh under 'Charged' appropriation due to less payments anticipated in satisfaction of court decrees.

Demand No. 08—Operating Expenses-Rolling Stock and Equipment

Voted—Rupees Two Thousand Eight Hundred and Ninety Seven Crore Eleven Lakh Eighty Three Thousand.

Charged—Zero.

25. This demand is for Operating Expenses-Rolling Stock and Equipment.

26. The Budget Estimates of Rs. 2897.12 crore for 2003-04 under this Demand reflects an increase of Rs. 172.79 crore over the Revised Estimates of 2002-03. This comprises an increase of Rs. 172.82 crore under 'Voted' portion to provide for payment of Dearness Allowance (Rs. 4382.36 lakh), Kilometerage Allowance (Rs. 1432.40 lakh), Other Staff Cost (Rs. 1010.77 lakh), Cost of Materials (Rs. 5196.08 lakh), Fuel for other than Traction (Rs. 824.37 lakh) and Transfer of Dr/Cr (Rs. 4436.18 lakh); and a decrease of Rs. 3.25 lakh under 'Charged' appropriation due to less payments anticipated in satisfaction of court decrees.

Demand No. 09—Operating Expenses-Traffic

Voted—Rupees Six thousand Nine Hundred and Forty Nine Crore Sixty Six Lakh Forty Two Thousand

Charged—Zero

27. This demand is for Operating Expenses-Traffic.

28. The Budget Estimates of Rs. 6949.66 crore for 2003-04 under this Demand reflects an increase of Rs. 248.72 crore over the Revised Estimates 2002-03. This comprises an increase of Rs. 248.80 crore under 'Voted' portion to provide for Dearness Allowance (Rs. 9144.43 lakh) Kilometrage Allowance (Rs. 398.02 lakh), Other Staff Cost (Rs. 1188.92 lakh) Cost of Materials (Rs. 1063.41 lakh), Contractual Payments (Rs. 651.12 lakh), Transfer of Debits/Credits (Rs. 4787.66 lakh), Leaser/Hire charges to Indian Railways Finance Corporation (Rs. 4200.00 lakh), lease charges under OYW & BOLT scheme (Rs. 3180.42 lakh) and Other Miscellaneous Factors (Rs. 265.95 lakh) and a decrease of Rs. 8.19 lakh under 'Charged' appropriation due to less payments anticipated in satisfaction of court decrees.

Demand No. 10—Operating Expenses-Fuel

Voted—Rupees Seven Thousand Nine Hundred and Ninety Seven Crore Seven Crore Seventy Four Lakh Forty Six Thousand.

Charged—Zero

29. This demand is for Operating Expenses-Fuel.

30. The Budget Estimates of Rs. 7997.74 crore for 2003-04 under this Demand reflects an increase of Rs. 641.49 crore over the Revised Estimates 2002-03. This comprise an increase of Rs. 641.54 crore under 'Voted' portion to provide for higher Staff Costs (Rs. 107.88 lakh) and more expenditure on fuel due to increase in traffic/prices of fuel under Diesel Traction (Rs. 53385.17 lakh) and Electric Traction (Rs. 10660.73 lakh); and a decrease of Rs 480 lakh under 'Charged' appropriation due to less payments anticipated in satisfaction of court decrees.

Demand No. 11—Staff Welfare and Amenities

Voted—Rupees One Thousand Three Hundred and Fifty Four Crore Fifteen Lakh Fifty Nine Thousand.

Charged—Zero

31. This demand is for expenditure of Staff Welfare and Amenities.

32. The Budget Estimates of Rs. 1354.16 crore for 2003-04 under this Demand reflects and increase of Rs. 84.92 crore over the Revised Estimates comprising an increase of Rs. 84.98 crore under 'Voted' portion to provide for payment of Dearness Allowance (Rs. 2546.89 lakh), Other Staff Cost (Rs. 358.85 lakh), Cost of Materials (Rs. 1114.27 lakh), Contractual Payments (Rs. 1956.66 Lakh), Fuel for other than Traction (Rs. 758.89 lakh), Contingent Expenses (Rs. 491.873 Lakh) and Miscellaneous Factors (Rs. 1271.10 lakh); and a decrease of Rs. 6.22 lakh under 'Charged' appropriation due to less payments anticipated in satisfaction of court decrees.

Demand No. 12—Miscellaneous Working Expenses

Voted—Rupees One Thousand Six Hundred and Forty Nine Crore Thirty Seven Lakh Seventy Four Thousand.

Charged—Rupees Thirty Crore Eighty Eight Lakh Ninety Thousand.

33. This demand is for Miscellaneous Working Expenses.

34. The budget Estimates of Rs. 1680.27 crore for 2003-04 under this Demand reflect and increase of Rs. 76.52 crore over the Revised Estimates comprising an increase of Rs. 84.18 crore under 'Voted' portion to provide for payment of Salaries (Rs. 1393.29 lakh), Dearness Allowance (Rs. 3297.50 lakh), Other Staff Cost (Rs. 1231.58 lakh), Cost of Materials (Rs. 1473.45 lakh), Other Miscellaneous Factors (Rs. 1021.90 lakh); and a decrease of Rs. 765.62 lakh under 'Charged' appropriation due to less payment anticipated in satisfaction of court decrees.

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

Voted—Rupees Six Thousand Five Hundred and Fifty Crore Fifty Eight Lakh Forty Five Thousand.

Charged—Rupees seventy Four Lakh Sixty Four Thousand.

35. This demand is for expenses on Provident Fund, Pension & Other Retirement Benefits.

36. The Budget Estimates of Rs. 6551.33 crore for 2003-04 are higher than the Revised Estimates 2002-03 by Rs. 672.47 crore comprising of an increase of Rs. 672.69 crore under 'Voted' portion and a reduction of Rs. 22.08 lakh under 'charged' appropriation. The increase under

'voted' portion is anticipated due to increase in the number of pensioners, higher Dearness relief on pension and the leave salary, which until previous year was being charged to other demands, forming part of this demand. The reduction under 'Charged' appropriation is due to less payments arising out of court decrees.

Demand No. 14—Appropriation to Funds

Voted-Rupees Nine Thousand Seven Hundred Ten Crore.

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

- (a) Appropriation to Depreciation Reserve Fund is being made in accordance with the recommendations of the Railway Convention Committee (R.C.C.)
- (b) Appropriation to Pension Fund is being made having regard to the recommendation of the RCC. In assessment of this amount, due consideration is given to such factors as the estimated higher withdrawals from the Fund, liberalisation of Pension benefits, etc.
- (c) Development Fund is credited with such appropriations out of the Revenue excess after payment of dividend as may be voted by the Parliament.
- (d) Pursuant to recommendation of the Railway Safety Review Committee (1998), a Special Railway Safety Fund (SRSF) has been set up to wipe out the arrears of replacement on the Railways in a fixed time schedule. The fund is financed through railway revenues including levy of safety surcharge on passenger fares and the capital support from the General Revenues. The appropriation from railway revenues is shown in this demand whereas from General Revenues is provided in Demand No. 16.
- (e) As recommended by Railway Convention Committee (1999), a new 'Railway Safety Fund' has been created *w.e.f* 01.04.2001 for financing works relating to conversion of unmanned level crossings and for construction of Railway over+under bridges at busy level crossings.
- (f) Appropriation to the Capital Fund is being made keeping in view the Plan requirement for building up the Railway infrastructure out of the internal resources.

Demand No. 15—Dividend to General Revenues, Repayment of Loans taken from General Revenues and amortization of over capitalization

Voted—Rupees Two Thousand Nine Hundred Eighty Crore Sixteen Lakh.

38. This demand shows provisions for Dividend to General Revenues, Repayment of temporary Loans taken from General Revenues for financing expenditure out of Railway Development Fund, Capital Fund and also the amount for amortization of over capitalization in accordance with Recommendations of RCC.

39. As regards the Budget Estimates, 2003-04, estimates of dividend payment and subsidy from General Revenues have been worked out on the basis of the recommendations of the RCC (1999) for the year 2002-03 made in their Fifth Report adopted by the Lok Sabha on 09.08.2002.

40. The total amount of dividend payable to General Revenues for the year 2003-04 works out to Rs. 2932.66 crore involving an increase of Rs. 345.26 crore over the Revised Estimate 2002-03. This is mainly due to increase in the Capital-at-charge.

41. In the Budget Estimates for 2003-04 the Development Fund will open with a balance of Rs. 0.60 crore. Withdrawal from this fund is estimated at Rs. 600.00 crore which is for financing works chargeable to this fund. Accordingly, an equal amount has been appropriated in this fund.

BUDGET AT GLANCE

42. The Railway Budget for the year 2003-04 in brief is as under:—

(Rs. in crore)

Actual 2001-02	Budget 2002-03	Description	Revised 2002-03	Actual (2002-03) Upto Dec. 02	Budget 2003-04
1	2	3	4	5	6
37837.59	41538.00	(a) Gross Traffic Receipts	40867.00	28969.85	43495.00
28702.77	31160.00	(b) Ordinary Working Expenses	30310.00	22372.13	32460.00
2000.44	1978.00	(c) Appropriation to depreciation Reserve Fund	2003.00	1483.52	2005.00

1	2	3	4	5	6
5990.00	5990.00	(d) Appropriation to Pension Fund	5840.00	4488.81	6385.00
36293.21	39128.00	(e) Total Working Expenses (b)+(c)+(d)	38153.00	28344.46	40850.00
1544.38	2410.00	(f) Net Traffic Receipts (a)-(e)	2714.00	625.39	2645.00
793.15	1289.27	(g) Net Miscellaneous Receipts	473.40	—	887.66
2337.53	3699.27	(h) Net Revenue (f)+(g)	3187.40	—	3532.66
2337.18	2679.11	(i) Dividend Payable to General Revenues	2587.40	—	2932.66
—	—	(j) Payment of Deferred Dividend	50.00	—	—
1000.00	—	(k) Less Dividend Deferred ⁵	—	—	—
1337.18	2679.11	(l) Net Dividend Payment to General Revenues	2637.40	—	2932.66
1000.35	1020.16	(m) Excess/Shortfall (h)-(k)	550.00	—	600.00
449.47	550.00	(n) Appropriation to Development Fund	550.00	—	600.00
302.74	452.73	(o) Appropriation to railway Safety Fund	—	—	—
248.14	17.43	(p) Appropriation to Capital Fund-Railways	—	—	—
96.0%	94.8%	(q) Operating Ratio	92.5%	—	94.1%
5.0%	7.3%	(r) Ratio of Net Revenue to Capital-at-Charge and investment from Capital Fund	6.2%	—	6.4%

⁵ Transferred to deferred Dividend Liability Account.

Some of the important aspects which came under discussion during the examination of Demands are as follows:

Freight Traffic

43. (a) 2001-02.

The traffic plan envisaged lifting of 489 million tonnes of originating revenue freight traffic and traffic output of 323 billion tonnes kilometres (BTKM) in 2001-02 at the Revised Estimates stage. The actual performance during 2001-02 has been 492.50 million tonnes of originating traffic which was 190.00 million tonnes more than the performance in 2000-01. The traffic output was 333 BTKM as compared to 312 BTKM in 2000-01. The earnings at Rs. 24,845 crore registered an increase of 6.6% over 2000-01.

(b) 2002-2003

The target of 510 million tonnes originally fixed for the year 2002-2003 has been increased to 515 million tonnes in view of the up trend in the economy. Alongwith, in improvement in the average lead, freight earnings have been estimated at Rs. 26,658 crore with a traffic output of 357 BTKM.

(c) 2003-2004

The targets and the projected level of revenue earning traffic for the year 2003-2004 compared with that of 2002-2003 are as under:-

	2002-03 (RE)	2003-04(BE)
(a) For originating	515 MT	540 MT
(b) Lead	694	680
(c) Tonnes Kms.	357 BTKMs	367 BTKMs
(d) Earnings	Rs. 26,658 cr	Rs. 27,815 cr.

Passenger Traffic

44. (a) 2001-02

Passenger journeys at 5169.34 millions in 2001-02 increased by 6.8% from 4,839.79 millions in the previous year. Passenger kms. also increased by 8.0% from 458 billions in 2000-01 to 494 billions in 2001-02. Earnings from passengers were Rs. 11,196.45 crore, registering an increase of Rs. 681.35 crore (6.48%) over the previous year. (These figures are inclusive of Metro Railway Kolkata).

(b) 2002-03

In the first six months (April-September) 2002-03, the number of originating passengers at 2,492.42 million (Provl.) was less by 3.20% compared to the corresponding period of 2001-02. Passenger earnings at Rs. 6,193.94 crore increased by Rs. 748.22 crore (13.74%) over Rs. 5445.72 crore of the corresponding period of the previous year.

The Passenger Earnings suffered a set back during the year 2002-03. The target of passenger earnings has been scaled down to Rs. 12730 cr. against Rs. 13,450 cr. of Budget Estimates.

(c) 2003-04

The Budget Estimates for the year 2003-04 for Passenger journeys have been projected at 5177 millions which is 507,579 millions passenger kilometers. Passenger Earnings have been estimated at Rs. 13620.00 crore based upon anticipated growth of suburban and non suburban passenger traffic.

Fare & Freight Rates

45. The details of the proposed tariff adjustments for the year 2003-04 are as under:-

No across-the board increase in freight rates has been announced. While rationalizing the freight structure, the total number of classes was reduced from 59 to 32 with Class-90 as the lowest class and Class-300 as the highest class. In freight structure so rationalized the ratio between the highest and the lowest freight rate was reduced from 8.0 to 3.3. It is proposed to reduce further the band of freight rates through compaction in freight classification by lowering the highest class from Class-300 to Class 250 in the revised classification, the total number of classes will be reduced from 32 to 27 and the ratio between the highest rates for the highest and the lowest class will be further reduced from 3.3. to 2.8. To make the freight rates competitive, it is proposed to reduce the classification of certain commodities where Railways are facing stiff competition due to high freight rates. The classification of petrol for trainload movement is proposed to be reduced by three stage from Class-280 to Class-250, lowering the freight rates by 10.7 per cent. The classification of certain other commodities is proposed to be reduced by two stages. These commodities include High Speed Diesel Oil (HSD), Furnace Oil, Crude Oil, Naptha, Liquefied Petroleum Gas (LPG), Compressed Gasses, Lubricating Oils, Iron & Steel, Pig Iron, Iron Scrap, Cement sheets, Petroleum Coke and Soda ash. Some of the liquid commodities, carried in tank wagons, namely Molasses, Bitumen, Refined vegetable oils (Div.A), and sulphuric acid are also proposed to be charged two stage lower than their existing classes. The proposed reduction in freight rates due to lowering of classification by two stages will range from 5.3 per cent to 9.5 per cent. The classification of Cement, Clinker, Manganese Ore and Caustic Soda liquid (in tank wagon) are proposed to be reduced by one stage, which will reduce the freight rates by around 3.7 per cent.

Passenger Fares

46. There will be no change in the existing fare structure as announced. The fare structure of Mail/Express, ordinary Passenger trains and Monthly Season Tickets (MST) were rationalized last year. This year it is proposed to rationalize the fares of Rajdhani/Shatabdi Express trains. A separate fare structure for Rajdhani and Shatabdi Express trains was introduced in the year 1995-96 which does not have fixed relationship with the fares of Mail/Express trains. It is now proposed to link the fares of Rajdhani and Shatabdi Express trains to the rationalized fare structure of Mail/Express trains, fixing the basic fare for each class of Rajdhani and Shatabdi Express trains 15 per cent higher than the fares of corresponding class of Superfast Mail/Express trains on a uniform basis. Charges for catering services, as per requirement of the journey, would be added to the basic fares. As a result of this rationalization, the basic fares of different classes of Rajdhani and Shatabdi Express trains will be lower for most of the pairs of stations. In exceptional cases, fares may be marginally higher for a few parts of stations in which case, the existing fares will apply.

Parcel and Luggage Rates

47. In order to simplify the booking procedure of Parcel and Luggage traffic and optimize the use of transport capacity available for carriage of parcels by different trains, it is proposed to rationalize the rate structure for booking of Parcel and Luggage traffic. At present, parcels are charged under seven different Scales based on the type of the commodity. It is proposed that all types of commodities, including Luggage, will now be charged uniformly at the same rate, under four Scales, depending on the type of service selected by the customer.

Traffic Receipts

48. The details of the Actuals 2001-02, Budget & Revised Estimates 2002-03 and Budget Estimates 2003-04 of Gross Traffic Receipts are as under:-

Details	(Rupees in Crores)			
	Actuals 2001-02	Budget 2002-03	Revised 2003-04	Budget 2003-04
1	2	3	4	5
Passenger-Upper Classes	2295.49	3318.22	2602.62	3035.86
Passenger-Second Class	8900.96	10131.78	10127.38	10584.14

1	2	3	4	5
Total-Passenger Earnings	11196.45	13450.00	12730.00	13620.00
Other Coaching Earnings	872.24	920.00	950.00	1020.00
Goods Earnings	24845.40	26118.00	26658.00	27815.00
Sundry Other Earnings	944.45	1000.00	946.00	990.00
Total Earnings	37858.54	41488.00	41284.00	43445.00
Suspense	-20.95	50.00	-417.00	50.00
Gross Traffic Receipts	37837.59	41538.00	40867.00	43495.00

49. It can be seen that total traffic earnings for 2002-03 work out to Rs. 41,284 crore as against the budgeted target of Rs. 41,488 crore, a reduction of Rs. 204 crore.

50. In view of the down trend in passenger traffic, Passenger Earnings for 2002-03 have been scaled down to Rs. 12,730.00 crore in the Revised Estimates as against the Budget Estimates of Rs. 13450.00 crore. Passenger Earnings for 2003-04 have however, been estimated at Rs. 13,620.00 crore based upon anticipated growth of suburban and non suburban passenger traffic.

51. When asked about the factors which led to downward revision of passenger traffic receipts at the revised stage for the year 2002-03, the Ministry of Railways in their written reply stated that due to various extraneous reasons there was drop in passenger earnings in the fourth quarter of 2001-02, resulting in targets for 2002-03 becoming 20.1% higher than the Actuals, 2001-02, making it a stiff target to achieve.

52. To end December, 2002 Passenger earnings at Rs. 9324.49 crore are 13.2% higher than the corresponding period of the previous year, but Rs. 583.27 crore short of the proportionate target. It is apprehended that the severity of the target as also the slight degree of elasticity in demand in short-lead segments has resulted in the shortfall as compared to the target. Accordingly, the passenger earnings in the Revised Estimates have been assessed at Rs. 12,730 crore, which is Rs. 720 crore less than the Budget Estimates but Rs. 1533.55 crore higher than last year's actuals, registering a 13.2% increase.

53. The Ministry of Railways have stated further that the reasons for decline in passenger traffic on the Indian Railways are -(i) Heavy decline in low value MSTs. (ii) Increase in lower slabs of fares due to tariff revision and imposition of safety surcharge. (iii) Depression in the travel industry due to reduced growth of economy (iv) Withdrawal of LTC privileges.

54. While pointing out the specific segments where the passenger earnings have decline, the Ministry of Railways stated that the decline in the number of passengers is mainly in the suburban and non-suburban season ticket segments. Traffic in the short distance passenger train segment also indicates a small decline. However, in the Mail Express segment there has been an upward trend in the financial year 2002-03.

55. On being pointing out about the observation of the Committee that Passengers prefer to travel by other means upto a distance of 300-350 kms, the Ministry explained that in order to improve the utilization of trains below the 150 kms distance, especially for the season ticket holders, it is not proposed to increase the fares of this segment in the financial year 2003-04. It is expected that, as the price of season tickets will remain the same as in the financial year 2002-03, this segment should see an increase in the number of passengers due to improved competitiveness in relation to other means of transport. There will be no increase in the expenditure due to this measure.

56. The Ministry of Railways intimated about a series of steps initiated in current proposals to increase the number of passengers on the Railways:

- (i) No upward revision in the fares of all classes and all trains, despite increase in operational costs for the year 2003-04.
- (ii) Reduction in the fares of Rajdhani/Shatabdi/Jan Shatabdi in order to increase the popularity to these premium trains. In case of Jan Shatabdi, catering services have been made optional in order to bring down the fares.
- (iii) Introduction of flexible tariff (reduction of fares by 10%) on 1 AC and 11 AC.

- (iv) classes of Rajdhani trains from 15th July to 15th September to improve the utilization of these classes in the lean season.
- (v) Improvement in the interface with passengers by introducing the concepts of Unreserved reserved Ticketing System (UTS), Internet Ticketing System (ITS) and National Train Enquiry System (NTES). Increase in the number of Passenger Reservation System Centers (PRS) has also improved the convenience of purchasing a reserved ticket.
- (vi) Introduction of new trains to attract additional traffic.

57. During the oral evidence Additional Member (Traffic) has further clarified-

"The passenger traffic did not materialise because of the hike in the fares, withdrawal of the LTC, the slow down of the economy and the tourism industry was coming down. So whatever we had projected last year did not materialise. Therefore, instead of 21 per cent increase that we had projected, we have come to the conclusion that only 13 per cent is likely to be achieved. These are the reasons. We have taken some measures in this Budget which had been presented so that more traffic will come to us. We have given certain concessions. We have done something."

58. The Financial Commissioner (Railways) further added that the Railways have not increased the fares and freight this year. With the diesel price increase, I am sure there will be an increase in the bus fares. Normally, if there is an increase in the bus fares, there is a psychological satisfaction for the people to come back to the railway. Therefore, I hope that this trend will get reversed during the current year.

Another feature, which caused the slow down of the passenger traffic, was that in some parts like Godhar there was some disturbance. It also had some effect on the passenger traffic. So there was less number of passenger traffic on the western sector. So all these things were the culmination that the passengers traveling on train during the current year have come down and we were not able to achieve our projection which we had made last year.

59. During the oral evidence of the Ministry it came the notice of the Committee that demands for rakes from Southern India are not

adequately addressed by the Railways on equitable and regional basis. However, the Member Traffic summed up the position as under:

"There is some more information which I collected for my education and for sharing with the hon. Committee, Sir, this information is about distances from Punjab area to various ports located at Eastern coast and Western coast. Gandhi Dham-Kandla Port is less than 1,500 kilometres from the loading areas while Tuticorin port is 3,100 kilometres. So, the distance is more than double. So, naturally, the rakes require more than double the time to return. The second point is that from Gujarat area, salt industry, cement industry and fertilizer industry have also to be taken care of by us. at the highest level from Gujarat side, they have been repeatedly bringing to our attention the need for evacuation of their stocks. So, what is happening is that whatever rakes are going to the Western ports, they are getting back-loaded also. So, there are two advantages. One is that the lead is half, the time taken is half. The second thing is that in the return direction also, I earn freight. About Tuticorin, there is no doubt that I get 3,100 kilometres longer freight in one direction, but I return direction, up to manikgrah which almost at Maharashtra-Andhra Pradesh border and about 1,500 kilometres from Tuticorin, I have to bring empty rakes. Then only, cement and also that gets loaded into rakes. Since the Indian Railways have a very stiff target of loading, 515 millions, to be achieved, we are straining our every nerves to see to what best possible utilization of the stock we can do. That is our bottom line. We want somehow to carry maximum traffic in the country. May be, in the process, I admit, some areas may not be fully satisfied. I have no defence on that. I am merely stating my case.

I had tried to gather some more information yesterday night. I would tell the pattern of loading, which I have followed in the month of March. In the case of Tuticorin, till yesterday, we had loaded 13 rakes and 66 rakes are shown outstanding. The oldest date of registration is 9th January. This date for Kandla is 7th January. So, I am only trying to submit to the august Committee that we are trying our best to do an act of balancing because I am actually conscious that we are the Ministry, we are the Government and we cannot be motivated entirely by commercial consideration that since I do not get traffic in the return direction, I will not supply wagons. That is not my desire. I am trying to make an honest effort at balancing. It may be a semi-perfect solution."

60. When asked about the factors which led to downward revision of the gross traffic receipts at revised stage for the current year (2001-02), the Ministry of Railways, in their written reply have stated that the gross traffic receipt for 2002-03 as envisaged in Budget, Budget proportions and approximate position to end of December, 2002 (latest available while finalizing R.E.) and the R.E. fixed for the fiscal are given as under:

(Rs. in crores)

	Budget Estimates 2002-03	Budget Proportions to end of December, 2002	Approx. to end of Dec. 2002	Revised Estimates, 2002-03
Passenger earnings	13450.00	9907.76	9325.48	12730.00
Other Coaching Earnings	920.00	675.46	656.91	950.00
Goods Earnings	26118.00	19192.60	19523.48	26658.00
Sundry other earnings	1000.00	601.62	564.87	946.00
Total Traffic earnings	41488.00	30377.44	300070.74	41284.00
Traffic Suspense*	+50.00	—	-1120.73	-417.00
Gross Traffic Receipts	41538.00	—	28950.01	40867.00

[**+' indicates clearance and '-' indicates accretion]

To end of December, 2002, passenger earnings are short of the proportionate target by Rs. 582 crore. Going by this trend, the revised estimates of Passenger earnings have been scaled down to Rs. 12,730 crore.

61. The Chairman, Railway Board submitted before the Committee as under:-

"We keep on reviewing month to month everything. We keep on taking corrective action like if the passenger is not travelling, then how to increase our freight or how to reduce the expenditure so that the overall Budget does not get affected. We get two opportunities-one at the Budget time and the other at the time or revised estimates. But the efforts during the year continues. If we are not getting enough passengers, then what to do, how to see

that our Budget does not get disturbed, how to increase the freight and how to reduce the expenditure? This is what every month we keep on analysing and doing it. Overall the freight has increased, the expenditure has reduced and the Budget has been maintained.

Other Coach Earnings

62. Taking into account the trend of actual earnings during the course of the year 2002-03, the Revised Estimates of earnings from Other Coaching Traffic are fixed at Rs. 950.00 crore *i.e.*, Rs. 30.00 crore higher than the Budget estimated for the year. Other Coaching Earnings for 2003-04 are estimated at Rs. 1020.00 crore *i.e.*, Rs. 70.00 crore more than the Revised Estimates of 2002-03 based upon the anticipated growth in Parcel Traffic.

Goods Earnings

63. Freight loading in 2002-03 has been encouraging. As such, the target of freight loading in the Revised Estimates has been increased to 515 million tonnes as against 510 million tonnes envisaged in the Budget Estimates. The Revised traffic output is estimated to fetch an earnings of Rs. 26658.00 crore which is Rs. 540 crore more than the Budget Estimates of Rs. 26118.00 crore. The goods earnings for 2003-04 have been placed at Rs. 27815.00 crore assuming an additional 25 million tonnes originating revenue earnings freight traffic over the anticipated level of 515 million tonnes adopted for the Revised Estimates for 2002-03.

Sundry Other Earnings

64. Keeping in view the trend of earnings from these sources, the revised estimates 2002-03 for Sundry earnings are fixed at Rs. 946.00 crore *i.e.* Rs. 54.00 crore less than the Budget Estimates for the year. Sundry other earnings have been assessed at Rs. 999.00 crore in 2003-04 anticipating 5% increase over the Revised Estimate, 2002-03. The target for Sundry Other Earnings has, however, been scaled down to Rs. 946 crore mainly due to the down trend noticed at the end of December, 2002 which was also reflected in the projection of the zonal railways.

Suspense

65. Keeping in view the non-realisation of Railway outstanding from the Power Houses and State Electricity Board, a further accretion of Rs. 417.00 crore to the 'Suspense' which represents unrealized traffic earnings, has been estimated in the Revised Estimates, 2002-03 as against a clearance of Rs. 50.00 crore anticipated in Budget Estimates. In the Budget Estimates 2003-04 a clearance under the Head has been kept at the level of Rs. 50.00 crore. The Railways traffic outstanding as on 31st March, 2002 was Rs. 2090 crore, almost 77% of which is due from State Electricity Boards and Power Houses. Budget estimates for 2002-03 envisaged a clearance of Rs. 50 crore from these outstanding dues. Due to continuous default on the part of Power Houses/SEBs, these outstandings have risen to Rs. 3211 crores as on 31st December, 2002, an increase of Rs. 1121 crores over the opening balance. Though a substantial portion of this accretion is expected to be cleared by end of March 2003, in view of the trend, accretion of Rs. 417 crores under traffic Suspense has been projected in the Revised Estimates, 2002-03. The efforts for realization of these dues are continued by the Zonal Railways.

Unrealised Receipts (Suspense)

66. When asked about the reasons of the flesh accretion of Rs. 417 crore to the traffic suspense, the Ministry of Railways, in their written reply stated that the position of unrealized earnings as on 31st March, 2002 was Rs. 2090 crore. Out of which approximately 77% was due from State Electricity Boards/Power Houses (SEBs/PHs). Due to continuous default mainly on the part of SEBs/PHs, the position of unrealized earnings have been risen to Rs. 3211 crore during the period April, 2002 to December, 2002 *i.e.* net accretion of 1121 crore.

In January 2003, there has been a further accretion of Rs. 103 crore raising the net accretion of unrealized earnings during the year 2002-03 to Rs. 1224 crore.

The unrealized earnings as on 31st January, 2003, as compared to 31st January, 2002, provide a more comparable picture and show an increase of Rs. 280 crore. This is mainly on account of Freight (Rs. 645 crore) mostly against some State Electricity Boards. The details of State Electricity Board wise outstanding freight are as under:—

Freight Recoverable from State Electricity Boards/Power Houses to end of Jan. 2003

(Rs. in crore)

Name of State Electricity Boards/Power Houses	Outstanding due as on 31.01.2003	Outstanding due as on 31.01.2002	Outstanding due as on 31.03.2002	Variation over Jan. '02	Variation Mar. '02
1. Andhra Pradesh State Electricity Board	0.07	1.43	0.82	-1.36	-0.75
2. Assam State Electricity Board	0.02	2.03	0.18	-2.01	-0.16
3. Bihar State Electricity Board	0.53	2.46	0.01	-1.93	0.52
4. Delhi Vidyut Board	173.79	161.10	160.43	12.69	13.36
5. Gujarat State Electricity Board	7.54	35.49	0	-27.95	7.54
6. Haryana State Electricity Board	15.57	13.31	5.30	2.26	10.27
7. Jharkhand State Electricity Board	0	—	—	0	0
8. Karnataka State Electricity Board	0	0	0	0	0
9. Maharashtra State Electricity Board	6.03	14.83	0.20	-8.8	5.83
10. Madhya Pradesh State Electricity Board	14.00	8.45	2.40	5.55	11.6
11. Punjab State Electricity Board	693.81	81.25	325.30	612.56	368.51
12. Rajasthan State Electricity Board	130.90	22.29	105.30	108.61	25.6
13. Tamilnadu State Electricity Board	0.52	0.50	0.41	0.02	0.11
14. Uttar Pradesh State Electricity Board	64.45	67.52	7.77	-3.07	56.68
15. West Bangal State Electricity Board	14.73	32.80	3.57	-18.07	11.16
16. Badarpur Thermal Power Satiation	960.22	997.63	957.61	-37.41	2.61
17. national Thermal Power Corporation	56.63	51.58	27.33	5.05	29.3
18. Damodar Valley Corporation	0.03	0.47	-0.11	-0.44	0.14
19. Private Power House, Sabarmati	0.14	0.96	0.03	-0.82	0.11
Total	2138.98	1494.10	1596.55	644.88	542.43

67. When asked about the efforts made by the Railways for realization/recover the dues from SEBs/PHs the Ministry of Railways have further stated as under:—

1. The matter of recovery of outstanding dues from SEBs/PHs including Badarpur Thermal Power Station (BTPS) has been followed up with the Ministry of Power, Ministry of Finance and with the Chief Ministers of various States.
2. Ministry of Power has also given clear instructions to BTPS to ensure full payment of current freight dues to Railways.
3. Meetings are held with senior officials including Chairman of State Electricity Boards/Power Houses which fail to observe the conditions of 'Prepayment of Freight' as also payment of current freight.
4. Gradual clearance of outstanding dues is expected as per the formula evolved by the 'Expert Group for Settlement of SEB due', which has been accepted by the Government of India and the various State Governments.
5. Implementation of various schemes of 'Prepayment of Freight' for carriage of Coal to Power Houses.
6. The outstanding dues from SEBs/PHs to the Railways are also being adjusted against traction bills, wherever feasible.
7. Zonal Railways are pursuing for maximum realization of all outstanding dues by the end of the financial year 2002-03.

68. During the oral evidence, Financial Commissioner (Railways) has further added:—

"We are having a dialogue at the highest level. Letters have already gone from our Hon'ble Minister's level to the Hon'ble Chief Minister of Punjab. We are also trying to make use of latest recommendations of the Montek Singh Ahluwalia Committee's Report for Securitisation of this. So, a dialogue is on but there has been no effective clearance in respect of the Punjab State Electricity Board and the Rajasthan State Electricity Board. The main outstanding has gone up from Punjab State Electricity Board only. It has gone up to Rs. 693 crore as against Rs. 325 crore, which was at the beginning of the year 01.04.2002. Similarly, Rajasthan State Electricity Board's outstanding has also gone up.

For Punjab and Rajasthan, we are trying to find out from the Ahluwalia Report. They have honoured Tripartite Agreement. We have to persuade them to get the amount reconciled. The dialogue is going on with the Power Ministry. We are going to follow it up."

The Financial Commissioner (Railways) further added:—

"Two-Three days back, the tripartite agreement has been signed by the State Governments. We have to follow it up."

In regard to DVB, BPTS and NTPC the Financial Commissioner started as under:—

"In regard to Delhi Vidyut Board, there is a dispute. The Delhi Government is not paying. We have written last at the Chief Minister's level. One meeting was held with DVB authorities. We are also pursuing it with the Ministry of Power. Regarding the adjustment in the Central Plan assistance, we are taking it up. As the hon. Chairman and the Hon. Members are aware, the amount adjusted is only Rs. 169 crore.

Regarding Badarpur Thermal Power Station, we are mooted a Cabinet note to adjust the amount due, because it is only a Central Power Utility, it is not in any state from the deferred dividend, which we have to pay. I have prepared a note. I have got it approved and we will be sending a Cabinet note for the adjustment of Rs. 900 crore. Badarpur Thermal Power Station outstanding is there for a considerable time.

We will pursue the NTPC. They have promised to clear all the outstanding dues. Other outstanding dues from the State Electricity Boards, we try to adjust from the traction bills. So, except these three hardcore Electricity Boards, we hope to realise the money before 31st March."

Gross Traffic Receipts

69. The aggregate effect of the above mentioned factors is that the Gross Traffic Receipts for 2002-03 are revised to Rs. 40867.00 crore which is Rs. 671 crore less than the Budget Estimates of Rs. 41,538.00 crore. The Budget Estimates of Gross Traffic Receipts for 2003-04 works out to Rs. 43495.00 crore.

70. On being asked about the extent to which passenger earnings would be affected as there has been no change in passengers fare despite increase in operational costs, the Ministry of Railways assured that there would be no shortfall in passengers earnings envisaged in 2003-04 (BE) which have been projected to grow to Rs. 13,620 crore over 2002-03 (RE) of Rs. 12,730 crore i.e. by 7%.

Miscellaneous Transactions

71. The details of Miscellaneous Transactions for the year 2001-02 (Actuals); 2002-03 (Budget & Revised) and 2003-04 (Budget) are as under:-

(Rupees in Crores)				
Details	Actuals 2001-02	Budget 2002-03	Revised 2002-03	Budget 2003-04
1	2	3	4	5
RECEIPTS				
(i) Receipts from Subsidised Companies	0.07	—	—	—
(ii) Railway Recruitment Boards	7.17	5.90	5.99	6.67
(iii) Other Misc. Receipts	12.16	8.81	7.67	8.56
(iv) Contribution from General revenues for Railway Safety Works	300.00	450.00	—	—
(v) Receipts from Safety Surcharge on Passenger Fares	304.86	860.00	650.00	710.00
(vi) Subsidy from General Revenues towards dividend relief and other concessions.	895.96	1128.94	1071.26	1213.43
(vii) Receipts from Surcharge on Mumbai Suburban Passenger fares	—	—	—	47.50
Total	1520.22	2453.65	1734.92	1986.16
EXPENSES				
(i) Payment to worked lines	0.18	0.72	0.23	0.28
(ii) Subsidy	00.01	0.01	0.01	0.01

1	2	3	4	5
(iii) Surveys	662	744	518	2112
(iv) Misc. Railway Expenditure	223.63	251.21	251.10	279.39
(v) Open Line Works Revenue	31.53	35.00	35.00	30.00
(vi) Appropriation to Special Railway Safety Fund	455.10	660.00	960.00	710.00
(vii) Appropriation to Pension Fund	10.00	10.00	10.00	10.00
(viii) Repayment of Loan taken for Mumbai Suburban Transport Projects	—	—	—	47.50
Total	727.07	1164.38	1261.52	1099.50
Net Miscellaneous Receipts	793.15	1219.27	473.40	887.66

(a) 2002-03

Net Miscellaneous Receipts in the Revised Estimates have been placed at Rs. 473.40 crore against Budget Estimates of Rs. 1289.27 crore.

(b) 2003-04

The Budget Estimates for 2003-04 of Net Miscellaneous Receipts is estimated at Rs. 887.66 crore which provides for an increase of Rs. 414.26 crore over the Revised Estimates of 2002-03.

Working Expenses

72. The comparative details of the actuals of the year 2001-02, Budget and Revised Estimates 2002-03 and Budget Estimates 2003-04 of Working Expenses are given below:—

(Rupees in Crores)

Demands No. and Nomenclature	Actuals 2001-02	Budget 2002-03	Revised 2002-03	Budget 2003-04
1	2	3	4	5
General Superintendence and Services on Railways	140.15	156.47	157.07	178.40
Repairs and Maintenance of Permanent way and Works	296.49	315.59	309.95	328.49
Repairs and Maintenance of Motive Power	150.22	170.72	160.05	180.33

1	2	3	4	5
Repairs and Maintenance of Carriage and Wagons	3078.87	3333.80	3150.71	3383.88
Repairs and maintenance of Plant and Equipment	1580.96	1740.35	1683.22	1839.76
Operating Expenses—Rolling Stock and Equipment	2623.76	2824.20	2724.33	2897.12
Operating Expenses—Traffic	6344.17	6780.08	6700.95	6949.66
Operating Expenses—Fuel	6894.58	7513.50	7356.25	7997.74
Staff Welfare and Amenities	1195.52	1300.04	1260.23	1354.16
Miscellaneous Working Expenses	1527.32	1604.29	1603.75	1680.27
Provident Fund, Pension and other Retirement Benefits	5411.72	6028.93	5878.86	6551.33
Total	34672.76	37586.97	36666.37	39447.14
Credit or Recoveries	-585.63	-426.97	-506.37	-487.14
Deduct—Amount recouped from funds	-5384.36	-6000.00	-5850.00	-6500.00
Net	28702.77	31160.00	30310.00	32460.00
Appropriation to D.R.F.	2000.44	1978.00	2003.00	2005.00
*Appropriation to Pension Fund	5590.00	5990.00	5840.00	6385.00

*Excludes Appropriation to Pension Fund for Miscellaneous Establishment.

73. The sanctioned Budget Grant for 2002-03 for Ordinary Working Expenses was Rs. 37558.97 crore (Gross). The Revised Estimates of Rs. 3666.37 crore (Gross) is less than the Budget Grant by Rs. 920.60 crore. There has been savings in all the demands except demand No. 3 & 12. Credits in reduction of expenditure are estimated at Rs. 506.37 crore i.e. Rs. 79.40 crore more than the Budget. The amount recouped from Pension Fund has been reduced to Rs. 5850.00 crore over the Budget Grant of Rs. 6000.00 crore. The revised estimates of Net Working Expenses has, thus, been kept at Rs. 30310 crore, Rs. 850.00 crore less than the Budget. Reduction of Rs. 920.60 crore in gross expenditure comprises of a reduction of Rs. 937.23 under 'Voted' portion, and an increase of Rs. 1662.88 lakh under 'Charged' appropriation, which is on account of more payments anticipated in satisfaction of court decrees.

74. As regards, the other items making up total working Expenses in Revised Estimates, the contribution to Depreciation Reserve Fund has been kept at Rs. 2003.00 crore i.e. Rs. 25.00 crore more than the

Budget level, whereas appropriation to Pension Fund has been decreased to Rs. 5840.00 crore from the Budget level of Rs. 5990.00 crore.

Customer Satisfaction Year

75. The Minister of Railways in his Budget Speech has declared this 150th year as Customer Satisfaction Year. During the year several steps would be taken relating to safety, security, punctuality and cleanliness so that customers would derive great satisfaction from the Railways.

76. When asked about the action plan of the Railways to implement the Commitment without commensurate addition in the budget allocation (it is only Rs. 205 crore this year against Rs. 200.1 crore last year) under the head passenger amenities, Railways has stated that in our endeavours to increase Customer Satisfaction, the areas that will be given specific thrust during the year 2003-04 include Safety, Security, Punctuality and Cleanliness. The following action plan has been conceived by the Ministry for fulfilling the commitments:—

Safety

- Upgradation of Safety related training facilities at all Zonal Training Centres and Central Engineering Training Centres.
- Accelerate the implementation of Anti-collision Device.
- Provision of continuous track circuiting on selected sections.
- Improved crash worthiness of coaches.

Security

- Amendment of RPF Act being proposed to provide enhanced powers to RPF.

Punctuality

- For improving the punctuality of passenger services, it is proposed to streamline and strengthen the monitoring mechanism by introduction of a new computerized Coaching Operations Information System.

Cleanliness

- A task force to frame an action plan has been constituted to work out the modalities of implementing 'Operation Cleanliness' announced by the Hon'ble Prime Minister on Independence Day 2002, to ensure cleanliness in trains and on railway premises.

77. Rationalisation/simplification reforms and other measures were taken during the last two Railway Budgets to improve the satisfaction level of the freight customers. Explaining about the additional facilities proposed for being provided to the customers this year, the Ministry stated that for the freight customers, we are introducing more & more number of high speed wagons to carry the goods faster to destination. 10 Refrigerated Parcel Vans are being built this year to speedily carry perishable & food stuff across the country on express trains.

78. Further, improvement to passenger interface areas is also contemplated. This includes extension of computerization of unreserved ticketing system, expansion of PRS centers, booking of tickets through Internet, computerization of refunds etc. In addition, the scope of certain concessions have been widened e.g. Sr. Citizens concession, cancer and thalassemia patients, heart patients, kidney patients, accredited Press Correspondents. Besides, the rules regarding issue of duplicate tickets in lieu of lost tickets will also be liberalized during the year 2003-04.

79. The Ministry did not respond to the query of the Committee whether Zonal Railways have been provided with additional allocation specifically to provide additional facilities regarding customers satisfaction.

80. When asked about additional steps that have been taken by the Ministry of Railways to provide security to the travelling public during the Customer Satisfaction Year, the Ministry in their written reply have stated that the vacant posts of 3500 RPF/RPSF Constables are being filled up.

81. The amendments to modify provisions of the RPF Act, 1957 and the Railway Act, 1989 have been proposed to empower the RPF to deal with security of passengers on platforms and in running trains. Thus, the efforts of the State Govt. will be supplemented by the Railways for better security to passengers.

82. The Chairman, Railway Board during the oral 'evidence informed the Committee that Passenger Satisfaction Year has all the parameters—safety, security, punctuality and cleanliness besides quality of service.

83. First of all, it is safety which we felt is very vital. We have taken a number of new steps. Anti-collision device is tested and we are going to roll it out. We have already provided in the Budget; three Railways have been covered. In one, it is going to start. We have also provided for 10,000 km for survey work, which will also get started and completed.

84. Further, he stated "We are at the stage of implementation. In the NF Railway we have already sanctioned Rs. 50 crore; we will be doing it. Similarly, for two more Railways, it has been sanctioned in this Budget. We will be planning for that too. The planning process involves survey; survey is of the exact location of yard, lines, etc. It requires GPS; it requires other surveys wherever there is some problem of tunnel, bridges, etc., where special instruments have to be provided. Within the next few years' time, we are planning to complete it. We have already applied for patent in 128 countries of the world. In this country we are going to do this; we have done a detailed study of this in the institutions and we found that it would reduce the collision substantially. The second major step this is a new innovation is of track circuiting between stations. Earlier, in the stations we had been doing it; now we are going to do it between the stations, which is a new concept so that if there is some rail fracture or some fishplates are removed, it can prevent accidents there. In that case, the signal will turn red and the driver would know that there is something wrong. We have sanctioned Rs. 450 crore approximately for this in this Budget and we are going to implement those things. There is already in progress the Special Railway Safety Fund for the renewal of old tracks, etc. We are already going ahead for replacing the old tracks and bridges, etc. These are the three major steps; besides this, there are a large number of other steps that are being taken. We are going to have automatic fishlights on all the locomotives during this year.

85. In regard to other customer satisfaction, the Chairman, Railway Board elaborated "we will computerize information system to improve punctuality. To improve the cleanliness we are forming a task force to

suggest as to what further steps are to be taken in this regard. We will be having modular business for the toilets where trains will not be able to discharge at the platform so that the platforms can be kept clean.... There will be refrigerated parcels. Through the customers' information centre we will give the latest train position on the Internet so that the customers could know how much a particular train is running late. After this information centre, we are also going ahead with the system of providing PLSC at various headquarters. We have done a pilot project in unreserved ticket booking this year and we are going to extend it at a number of places during the current year.

86. When the Committee emphasized that since this year has been declared as customer satisfaction year and various facilities such as phone service, TVs in trains, medical persons available in trains itself, pure drinking water availability, clean toilets in trains in waiting rooms in stations, music system apart from proper information and enquiry systems/announcement systems in trains and on platforms, proper ticketing facilities, general cleanliness in coaches, renovation, repairs and beautification (painting) etc. of stations should be done on war footing to show the impact to customers. The Chairman, Railway Board assured the Committee as under:—

“We will do what best we can to take care of these points that have been made, which are very valid points. In this, the basic focus, the basic concept was that to focus attention during the year on the customer satisfaction. We would be taking various steps during the year so that this focus remains—in the large organization with about 15.5 lakh people—from top to bottom on this aspect. We have taken note of all these points. One of the specific points which I would like to mention is the refunds. Refunds used to be a major problem. We have started pilot project in the South Central Railway wherein the refund can be obtained anywhere in the country. This scheme has been found successfully in the South Central Railway. This will be implemented throughout the country during the year. Similarly, the unreserved ticketing has been a problem. Now we are focusing out attention on which portion of the country should be taken up during the year. There are a few specific places which are already being taken up. Besides this, we are very conscious of it that cleanliness is a very vital area, whether it is the stations or in the toilets.”

87. The Member (Mechanical) while referring to modular toilets in trains submitted before the Committee as under:—

"In addition, on all the coaches we are having what is called 'the clean train station'. Fifteen major stations have been identified in this regard. Every train that passes through will be clean 100%. Take the case of Allahabad, Ratlam etc. Most of the major trains will have one overnight journey. There, it will get cleaned. We had started this five to six months ago. A set of officers are inspecting and finding the adequacies. In addition we have given one station to one of the major cleaning agencies to set the standards. They will clean every coach."

88. On being pointed out by the Committee that some Senior Officers should go for surprise checks, the Chairman, Railway Board responded as under:—

"Exactly, earlier they were to take care of huge areas. Now, with additional zones and divisions, it will go a long way in improving the situation. This is happening now on the field."

New Trains

89. In the budget 2003-04 announcement has been made regarding 50 new trains increasing frequency of 13 and extending the run of 24 others.

Giving the basis/criteria for introducing new passenger carrying trains the Ministry of Railways in their written reply have stated that the requests for introduction of trains are constantly received from members of the Divisional Railway Users Consultative Committee, Zonal Railway Users Consultative Committee, Passenger Associations, Hon'ble MPs, MLAs and other VIPs and dignitaries. These requests are studied in detail. Demands for new train far exceed the resources available. Train services are, therefore, provided in a phased manner subject to availability of resources and operational feasibility. A new train is introduced based on the factors such as: (i) Travel demand (ii) Availability of path (iii) Availability of maintenance infrastructure (iv) Availability of Rolling Stock (v) Manpower requirement (vi) Impact on freight traffic.

The new trains are introduced on the basis of traffic requirements, operational feasibility and availability of resources. As these trains are introduced on the sections where the passenger trains are already running and the route is fit for passenger services, their introduction

will not cause any safety hazard. It will in no way affect movement of other traffic.

90. On being asked the reasons for reduction in funds allocated for track renewal from Rs. 3,401 crore in 2002-03 to Rs. 2,605 crore for the year 2003-04 while the more number of trains would put more pressure on tracks, the Ministry of Railways in their written reply stated that increase in the number of trains leads to lesser time being available for track maintenance. However, Railways have initiated action for procurement and utilization of high output track maintenance machines and a system of corridor blocks and track maintenance is being ensured commensurate with traffic. The figures of track renewal outlays quoted by the Committee as Rs. 3401 crore of 2002-03 is in gross. While Rs. 2605 crore of 2003-04 is in net. A comparative figures of gross and net outlay under track renewal Plan Head for the years 2002-03 (Revised Estimates) and 2003-04 (Budget Estimates) are given in the following table:

Track Renewal allotment.

	(Rs. in crore)	
	Gross	Net
2002-03 (RE)	3401.21	2602.05
2003-04 (BE)	3391.00	2605.00

In will be observed from the above table that the outlay for track renewal for the year 2003-04 (BE) is more or less at par with the Revised Estimates of 2002-03.

91. When pointed out by the Committee that the some of the 50 declared new passenger trains would start only after the gauge conversion work on these routes is completed, which in itself is a very long drawn project, the Chairman, Railway Board made a commitment before the Committee that during the year, on or before 31.03.2004 it will be completed and the new trains would be started. The work of gauge conversion is in full swing and they would be completed this year.

Indian Railway Finance Corporation (IRFC)

92. The Indian Railway Finance Corporation was set up in 1986 to partly finance the Plan outlay of the Railways by raising money from the market and meeting the developmental needs of Indian Railways. The funds raised by IRFC are used to finance the acquisition of Rolling Stock such as Locomotives, Coaches and Wagons.

93. When asked about the total liability of Railways towards lease charges, details of the total capital generated with the help of financial resources provided by IRFC since its inception and the revenue generated with that capital, whether the funds raised through IRFC are confined to procurement of rolling stock only and the comparison between the lease charges payable to IRFC *vis-a-vis* revenue generated through these rolling stock, the Ministry of Railways substantiated that gross asset value of rolling stock leased/subleased by IRFC to the Ministry of Railways till 31st March, 2002 is Rs. 23,874 crore. Lease charges paid/payable to IRFC in respect of these assets comprise of two components, namely, principal repayment and interest payment. Out of lease rentals paid to IRFC till 31st March, 2002 the amount of principal recovery effected is Rs. 8214 crore, leaving an outstanding principal liability of Rs. 15661 crore.

94. It was further added that the funds raised through IRFC are so far confined to financing the acquisition of following stock, except for a few short-term loans to PSUs under the Ministry of Railways namely Konkan Railway Corporation and Rail Tel Corporation of India.

95. The rolling stock assets leased by IRFC form part of the total rolling stock pool of the Railways and no distinction can be made between leased and owned assets during normal operations. As such, no data as to the revenue generated through leased assets is maintained. However, the wagons and coaches leased by IRFC constitute about 46% of the total wagon and coach holding respectively, as on 31.03.2002. The electric and diesel locos leased by IRFC constitute about 49% and 28% of IR's electric and diesel loco fleet respectively. Based on the ratio of IRFC leased wagon/coach assets to the total wagon/coach holding on the system i.e. 46% (as on 31.03.2002), the revenue generated by IRFC financed assets is estimated at Rs. 17,405 crore.

96. During the year 2001-02, an amount of Rs. 2942 crore was paid by Ministry of Railways to IRFC as lease charges. This works out to about 17% of the proportionate earnings of IR from IRFC-leased wagons and coaches in that particular year.

97. Further, when asked whether the rate of lease charges paid by Ministry of Railways to IRFC was more than rate of interest paid by IRFC on their market borrowing to acquire wagons and coaches etc. on which Railways pay the lease charges and would it not be cost effective to go in for direct market borrowings. The representatives of the Ministry of Railways stated:—

“As per the Govt. of India’s rule direct market borrowings is not permitted for Ministries. Precisely for this purpose, a public sector institution has been set up to raise resources. It was created during a period when we had difficulty in getting budgetary resources. To augment, primarily for acquisition of rolling stocks, we had set up this institution.

Regarding the cost of interest, no doubt, the interest paid was higher than the dividend rate but now with the flattening of rates and lowering of interest regimes, it is proving to be quite useful.”

98. The Chairman, Railway Board elaborated further that whatever advantage the IRFC had by its own efficiency and would now have because of the fall of interest rates is passed on to the railways fully or partially, depending on circumstances. Recently, Railways have got Rs. 70 crore for reduction in lease charges. Similarly, advance dividend for the next Year amounting to Rs. 58 crore has also been handed over to the Ministry of Railways.

Indian Railway Catering & Tourism Corporation (IRCTC)

99. IRCTC was set up with the basic purpose of hiving of entire catering and tourism activity of the Railways. The main object is to upgrade the catering services on IR, development of food plazas at railway stations, promotion of domestic and international tourism and development of rail based tourism infrastructure, strengthening railways’ linkage with travel intermediaries, facilitating rail travel through internet based ticketing and electronic travel distribution system, provision of pure and safe packaged drinking water to the rail users and establishment of value budget hotels at important railway stations. IRCTC has been fully operational from August, 2001.

100. When asked whether the IRCTC has completely taken over the catering services of Indian Railways, the response/opinion of general passengers towards its services and complaints, if any, received against IRCTC, the Ministry of Railways have stated that result of the financial year will be available by May 2003 end. Dividend will be decided after accounts are audited by CAG. IRCTC is in the process of taking over carting/vending activities on Indian Railways. Generally the response from the general passengers are encouraging. No complaints have been received in this regard. IRCTC is providing catering/vending services through reputed caterers who are providing satisfactory services on Indian Railways. Checks have been conducted by the Ministry of Railways on catering/vending units under the control of IRCTC at various levels.

101. When asked to explain in details the improvements in catering standards after formation of the IRCTC, representatives of the Ministry of Railways replied:-

"IRCTC actually has come into being from 1st August, 2001, when we had an MD and other officials in place. After that, the functions of the Corporation have started. Hon. Members are very well appreciative of the fact that the network of the Indian Railways is very large and catering is a sensitive subject—catering means, running hotels at Ranchi and Puri, and also teashops at road-side stations. Keeping in view the enormity of the entire thing and the sensitivity, we have taken a view internally that we will be careful in our approach. Now, Sir, the position is that we are very keen that whatever departmental catering that the Indian Railways is managing, we want to hand it over to IRCTC with the staff and other things."

102. He further added:

"Since it is a new corporation and earlier when the Railways were handling the affairs, at the Board level, a Director used to be incharge of catering; at the zonal level, CCMS used to be incharge of catering; at the divisional level, the divisional commercial managers used to be incharge of catering, and at the stations, the station managers used to be incharge of catering, in addition to looking after the schedules, supervision, pricing etc.... We are working to create a lean but an effective organization. It will take a few months time. In the meanwhile, in order to ensure that in

the transitional phase, the customer, our honourable passengers do not suffer and the quality aspect is maintained to the extent we can, I have given instructions to CCMs that they will assist the IRCTC in carrying out inspections and wherever there are any failures, they will advise the concerned about corrective actions."

103. He also informed:

"IRCTC have received about 55 complaints about the services being managed by them. Out of those 55 complaints, they have taken action to terminate two contracts; they have imposed fines on four contractors; they have given warnings and counselling to many people and 30 cases are under investigation. Similarly, the divisional and Zonal level officers carried out inspections."

104. He submitted further "we want to make the transition as smooth as possible so that ultimately the services could be improved, professionalised and more focused. Our main job is running the trains. For the last many years, people were feeling that catering is a specialised field; it required focused attention and expertise which, possibly, a traffic officer may not have. It requires special skills. That is why, this Corporation was set up.

105. When enquired about the yard stick about appointment of caterers being adopted the representatives of the Ministry of Railways stated:

"We follow two-packet system. First packet is that their credentials, experience particulars are recorded and screened. After screening of the first packet, when we find somebody suitable, then the second packet is opened, and bids and other things are seen. If the first packet information of somebody, viz., his credential, experience etc., are not considered adequate by the Committee, though he has offered the bid, his name will not be considered. That is the system."

106. When asked whether TTE, who is the representative of the Railways and a railway employee have sufficient power to take punitive action against erring person of catering agency, the representative of the Ministry of Railways stated:

"As on date, so far as powers to take punitive action are concerned against any erring person—be it a bearer in catering or the

attendant to supply bed-rolls, we have not delegated to the Conductor or the TTE. But it is expected that the TTE or the Conductor has to act as a representative of the Indian Railways. That is why, I technically call them 'amenities staff', rather than 'operating staff'. he is there to improve the amenities of passengers and make their travel comfortable. If any complaint is coming to his notice, he is expected to take note of it and pass it on, when he signs off his duty at any station, to the Divisional Officer for further action."

107. He further added:-

"I would personally be writing as well as speaking to the Chief Commercial managers and telling them that the TTEs and Conductors should be encouraged to interact with the passengers, and if any complaints come to their knowledge genuinely, they should take note of it. If they can solve it on the spot, it is all right; but otherwise, they must pass it on to the Divisional Officer for follow up action. We will definitely pursue it because I fully agree that except the TTEs and Conductors, it may not be possible for any other officer or supervisor to be there every time."

Anti-Collision Device (ACD)

108. Raksha Kavach is a network of 'self-acting' micro-processor based communication devices which 'automatically' apply brakes to trains on detection on collision like situations thereby protecting the travelling public as well as road users at level crossing gates from collision related accidents. Raksha Kavach is indigenously developed by Konkan Railway Corporation Ltd. (KRC) for the first time in the world. The commercial prototypes of ACDs are now in developed stage and joint field trials have already been conducted with RDSO on Northeast Frontier Railway and Konkan Railway. Presently the extended field trials are being undertaken in Jalandhar-Amritsar section of Northern Railway in association with RDSO in order to implement this innovative concept over IR. Extended field trials of this device on Jalandhar-Amritsar section of Northern Railway have been successfully completed on 19th January, 2003. Now, deployment of this device on Indian Railways has started. Provision of ACDs on about 1800 route kms. section and ACT survey on 1641 route kms. section are in progress. During 2003-04, to accelerate the pace of this work, it is proposed to carry out ACD survey of 10,000 route kms. and provide ACD over additional 1750 route kms.

109. When asked about effectiveness of this device on the Pilot Projects and the number of Zones/Divisions where these devices are being provided/installed, the Ministry of Railways have replied that the device has been found technically suitable and functional in giving specified protection to trains. Reliability of the system, however, is required to be improved. Steps are being taken for the same. Installation of the devices shall start in the year 2003-04 on Kathihar, Rangiya, Alipurduar, Lumpding and Tinsukia divisions of Northeast Frontier Railway. Work will be taken up on all 5 divisions simultaneously our survey team can normally complete ACD Survey on about 10 Route Kms. per day. As of now survey have been completed on 80 route kms. on Jalandhar-Amritsar section of Northern Railway. Deployment of ACD over 1800R kms is expected to be completed in the year 2004-05.

110. When asked the justification for not introducing ACD till date which was developed and adopted by Konkan Railways 2 years back and the reasons for slow pace of trials, the Chairman, Railway Board stated:—

“Any new invention of this size and magnitude requires authentic field trials. As you know the trial of this device was done two years ago. After that, there was a laboratory test for checking its performance. Thereafter, extended field trials were required.”

He further added:

“Then manufacturing was required for the second trial. Developing one piece is all right. But then for a large number of them manufacturing of units is required. This device has three units, one is for driver, then there is for guard and for level crossing etc. would give the full details. Three round of trials were conducted. This was examined by the RDSO.”

111. When enquired the minimum time frame that would be required for final development of this software and see to it that the Indian Railways are substantially safe with this device, if not the whole of the Railway network, at least one-fourth of country's railway network the Chairman, Railway Board explained as under:—

“It is in the process of development. Manufacturing of units, revision of software and field trials are going on to be very sure

about this Anti-Collision Device. We have already gone through that difficult phase. On the 19th we could finally say that the extended field trials are finally over and that the report have come. Now we are entering the implementation stage. We have already planned to implement this in the NF Railways. Simultaneously another Railway work has been sanctioned. Thirdly, the work of the survey for ten thousand kilometres has also been sanctioned. This is a geographical positioning survey to find out as to where the yards are located etc. Such fine surveys are required. Then there is also the Radio Survey. We are planning to complete this in all of the Railways by the year 2003-04. Simultaneously, we are doing this survey also."

112. The representative of Railway Board added:

"Invention of ACD was first step. The ACD has been tested in laboratories.... We have been improving technology. Now it has come to 80%. There is no point in putting up a device that can partially solve the problem of collision but we want to make it 100% perfect."

Joint Venture with NTPC

113. An Memorandum of Understanding was signed by the Ministry of Railways with National Thermal Power Corporation (NTPC) for setting up of captive thermal power plants. The project committee consisting of representatives from NTPC and Railways formed for the purpose has after examining four different sites, recommended Nabinagar as a suitable site for a 1000 MW thermal plant, which has been accepted. It is now proposed to form a Joint Venture Company of Railways with NTPC for implementation of the scheme.

114. When asked about the salient feature of this Memorandum of Understanding (MoU), the share of Railways in this joint venture company, regulation of rentals and how this is going to function, the Ministry of Railways have submitted that his Joint Venture Power Projects has been necessitated to contain the energy charges being paid by Railways as State Electricity Boards (SEBs) are presently charging unreasonably high tariff. The Chairman, Railway Board informed the Committee that Railways incur a lot of expenditure on power. It is Rs. 4000 crore annually. The State Governments or the

SEBs have been charging us unreasonable rates. Despite our best efforts at the Ministry level or the Minister level, we could not get it at a reasonable rate. The cost of production is so high that we have not been able to get it at a reasonable rate. Somewhere, we had to go to the court too. Therefore, the Railways after exhausting itself, have come to the conclusion as to why should not purchase power directly from the producers like NTPC. One experiment has been done earlier in the Northern Railway. We have already got a lot of economic achievement in that. So we have taken a decision that why should not try to have a JV with NTPC directly.

Salient features of MoU include:

- (i) Promote a Joint Venture Company (JVC) for establishing and operating Power Project (s) supply reliable power to Railways for meeting electric traction and non-traction loads.
- (ii) Formation of Project Committee consisting of 3 officers each from Railways and NTPC to:
 - Explore the possibility to set up Power Project (s) upto 2000 MW capacity.
 - Identify suitable site (s) in India for setting up Power Project (s).
 - Identify appropriate transmission and sub-transmission line (s) for feeding to the identified sub-stations of Railways keeping in view relevant provision of the Indian Railways Act and other applicable laws.
 - Suggest proper fallback arrangement to ensure uninterrupted power supply to Railways even in case of Zero generation of power from the proposed Power Plant (s).
- (iii) Power to be supplied to Railways through a model Power Purchase Agreement to be developed mutually.
- (iv) Cost & expenses towards project development activities/ studies in relation to project upto the incorporation of Joint Venture Company to be shared equally by Railways and NTPC.
- (v) NTPC to have the first right of refusal to provide operation and maintenance services for the power project to be set up by the JVC, on mutually agreed terms and conditions.

In the proposed Joint Venture Company, Ministry of Railways will have majority share holding of 51% equity. Railways shall exclusively use electricity generated through the proposed 1000 MW Joint Venture Captive Power Plant. However, JVC shall have the right to supply any surplus power, if available, to the grid/other bulk consumers in consultation with the Railways. The tariff for supply of power from power project shall be regulated through a Power Purchase Agreement (PPA) to be executed between Joint Venture Company and Railways.

115. On being asked the rate at which JVC would provide electricity to Railway *vis-a-vis* the rate at which Railways are purchasing at present from SEBs etc. Chairman, Railway Board explained—

“The expected cost of production by this project has been estimated at Rs. 2.60 per unit as against Rs. 4.30 at the moment. This will give a tremendous benefit to the Railways. As you have very rightly said, the total demand is expected to be of about 2000 MW. About 51 per cent will give us the status of captive power plant. That means legally it becomes captive for the Railways and they will supply to the Railways. NTPC to have the first right of refusal. Technically they have an agreement but I presume this position will not arise. In any case only part of the supply is there. That way Railways operation will not suffer because from our normal system supply will be there. That feature is there as a technical requirement.”

116. When a doubt was raised about the situation in case of disinvestments, Chairman, Railway Board responded—

“While the technical control will be with the NTPC, a major share of 51 per cent as equity share in the joint venture has been kept by Railways so that we have the control with us. We have our Directors. So, I presume that the situation will not arise because the Ministry of Railways will have control on the decision making.”

117. In their written reply the Ministry of Railways have also stated that being themselves partners in the proposed JVC and also having unparallel expertise in this field, it is not expected that NTPC will refuse to provide operation and maintenance services for the power plants. However, in the unlikely event of their not agreeing to do so, the services are proposed to be offered to some other company/firm considered to be having adequate expertise in these areas.

118. On the suggestion made by the Committee about a long term plan perspective to make this project viable and ultimately equip the project more dependent on the Railways Personnel it should be augmented phase by phase by Railways so as to take over the management efficiently the Chairman, Railway Board stated:—

"It requires specialized set of operation which expertise Railways do not have at present and will not have in future also. We have kept 51 per cent control with us in the JVC so that the control on decision making remains with the Railways."

When enquired by the Committee the time it is like to take for commission, the Chairman, Railway Board stated:

"We plan to form the JVC this year, that is, 2003-04 itself. After that manufacturing, construction etc. of this size of a plan is likely to take few years. The functioning of the JV Company will be broadly as per the provisions contained in the MoU and mutually agreed terms & conditions between Railways and NTPC."

Land Management

119. The Railways own about 4.23 lakh hectares of land which is mainly used for locating service and operational infrastructure such as track, stations, workshops, staff colonies etc. The break-up of the land is as follows:—

	Area (In lac hectares)
Track and structures including workshops, stations, colonies etc.	3.37
Afforestation	0.48
Grow More Food Scheme	0.08
Commercial licensing	0.05
Other uses like pisciculture	0.05
Under Encroachment	0.02
Vacant Land	0.18
Total	4.23

120. When asked about the present status of land record update, the Ministry of Railways have submitted as under:—

“98% of land plans are available and 86% of land plans have been certified by Revenue Authorities. All Railways have been directed to complete computerization of land plans on top priority. Western Railways have completed the same.”

121. Clarifying their position in regard to the quantum of land under encroachment *i.e.* 0.02 lakh hectares which always remains the same, the Ministry of Railways have stated as under:—

“Area of Railway land under encroachments have decreased from 2455 hectares in the year 1999 to 2218 hectares now.”

Some of the reasons due to which removal of encroachments is becoming difficult are—

- (i) Large-scale migration to urban area coupled with failure of State Govts. to provide adequate housing facility to such migrants.
- (ii) Non-cooperation of the State Govt. machinery by way of not providing Police and Magistrates to enable Railways to execute eviction orders of Estate Officers.
- (iii) Interference by socio-political leadership against eviction proceedings. There are instances where Railways have not been able to execute High Court's orders for removal of encroachments due to socio-political interference.
- (iv) Inadequate powers vested with the Estate Officer under PPE Act, 1971.
- (v) Directions of Petition Committee of Lok Sabha to ensure resettlement and rehabilitation (R&R) of encroaches before their eviction *e.g.* in Guwahati, Northeast Frontier Railway and Diamond Harbour, Eastern Railway.”

Recruitment of Group 'D' Employees

122. In the Budget speech the Minister of Railways declared that one of the major contributing factors for accidents have been found to be human failure. In this context, the filling up of vacancies on safety categories in Group 'D' has assumed importance. It has been decided to fill up more than 20000 such vacancies through Railway Recruitment

Boards within the next one year. Training plays an important role in increasing efficiencies of the employees. Railways are determined to effect continuous improvements in safety related training and to enable this, the training facilities at all Zonal Training Centres, seven Supervisory Training Centres and eight central engineering training centers are being suitably upgraded. Modules on disaster management are also being prepared. To this end, new works at a cost of Rs. 41 crore are proposed to be taken up. It is proposed to strengthen the Railway Protection Force and the Railway Protection Special Force, 3500 constables are to be recruited through Railway Recruitment Boards in the year 2003-04.

123. When asked about the impact of these recruitments on the financial health of the Railways, the fate of Railways plan to reduce manpower by 2% every year the Ministry of Railways have replied that the present security scenario of the country has affected the Railways in a considerable measure in ensuring safe train operation. It is essential to strengthen railway in-house protection system, which includes RPF as well as patrolling by the Gangmen (Group 'D' safety category). Also in terms of Government of India's instructions, the combatised forces of Para Military Forces have been exempted from the policy of rightsizing. As such, Railway Protection Force and the Railway Protection Special Force can be considered at par with the para military forces.

124. The Railways is considering its plan of rightsizing and trying to reduce manpower by 2% every year to the extent possible. During the past 2 years *i.e.* 2000-01, and 2001-02, Railways have been able to reduce manpower by 2% and 2.3% respectively. This trend is expected to continue during the current financial year 2002-03.

125. There is an expected normal retirement of about 36,000 in 2003-04, and keeping in view the past trend of other normal retirements (voluntary retirement, death etc.) the total attrition would be about 55,000. The reduction is for the Railways as a totality including all departments and cadres. The total intake would be around 35,000 including 20,000 Group 'D' announced in the Budget Speech by the Hon'ble Minister. Ultimately, the net reduction during 2003-04 would work out to approximately 1.7%. This reduction is seen in conjunction with reduction of 2.3% in 2001-02. would work out to an average 2% per year as planned. It would be worthwhile to mention that normal retirement during 2004-05 would be around 38,000 which would again result in overall reduction of more than 2%. The other important aspect

is that Group 'D' is the feeder category for departmental quota in Group 'C' for all departments even in safety categories. In order to ensure that the Group 'C' safety category posts are not left vacant, to that extent recruitment in Group 'D' cannot be avoided. In addition railways is adopting modern office automation techniques. It enabled devices that would also result in reduction of manpower in non-critical areas. The scientific principles of benchmarking are also being practiced over Indian Railways, which would also help in rationalizing the work force *vis-a-vis* the activities.

126. Since this recruitment is in the lowest grade (Rs. 2550-3200) the annual expenditure works out to about Rs. 55000/- per person, per year. As explained above, Railways are still on the planned route of achieving the annual reduction of 2%. The Railways are putting in all out efforts to contain expenditure on staff without compromising on the basic goal of Railways *i.e.* serving the national economy, providing better customer service and above all safety.

127. When asked about the manner in which proposed recruitment of 20000 vacancies in Group 'D' would help the already over sized work power of Railways on combating rising menace of track tampering, the Ministry in their post evidence reply have stated that "about 17000 of the above recruitment is being made in the gangmen category of the civil engineering department. Since their main activity is maintenance of the track and ensuring safety and protection, the above recruitment would ensure more hands available for patrolling and guarding assets like bridges etc. which would help in detecting track tampering cases more effectively."

128. The Ministry of Railways have further elaborated that the Railway operations are to some extent labour intensive, which is unavoidable, however, efforts are also being made to upgrade technical inputs *e.g.* modernization of signaling and track circuiting systems, introduction of modern rolling stock including latest design of coaches and locomotives, laying of track using machines, machine maintenance of track etc.

129. When asked why these recruitments are made mostly in general areas and not in technical areas the Ministry of Railways replied that the recruitment is being made in the gangmen category. It is also being made in the mechanical engineering, signal and telecommunication engineering and the transportation departments, which are the technical areas involved in train operations.

130. The Ministry of Railways in the written replies elaborated that in order for every organization to prosper, induction of new faces at regular intervals is essential. This not only ensures that the old skills are passed on from generation to generation but it helps in new thinking, new ideas, which are extremely essential and beneficial to the involvement of the existing system. Recruitment is not a contingency plan but is being made to ensure that railways achieves its goals on the safety and reliability front.

131. Railways are also regularly identifying work areas where staff can be declared as surplus, retraining them and redeploying them in areas requiring manpower. This is being done on a continuous basis and it may be mentioned that in 2001-02, 7793 staff were redeployed and in 2002-03, upto Feb'03 about 4346 staff have been redeployed.

132. When asked about the recruitment plan the representatives of the Ministry of Railways, during the oral evidence stated—

“The recruitment plan is for one year... Actually, the minimum time comes to about 12 months because we have to give statutory minimums periods.”

He further added—

“We are also doing computerization we get about seven to eight lakh applications.”

133. When asked what specific changes are proposed by the Ministry of Railways in amending the Railway Act and the Railways Protection Force Act regarding security which is an issue of law & order concerning States and the additional powers which are proposed to be given to the RPF, the Ministry in their written reply have stated that as per the recommendation of High Level Committee on Railway Security, additional responsibilities to RPF for escorting passenger trains in vulnerable areas and for providing access, control, regulation and general security at platforms has been proposed to supplement the efforts of State Police/GRP for better security to the passengers. However, policing on the railways being the constitutional responsibility of the State Governments, RPF will take up these security duties only without going into the realm of policing, which will continue to be the responsibility of the State Governments.

134. In this connection, two cabinet Notes for amendments to the RPF Act, 1957 and the Railways Act, 1989 have been initiated. The Cabinet Notes are yet to be considered by the Cabinet.

Demand No. 16

Assets-Acquisition, Construction and Replacement

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

Ninth Plan

136. The year wise internal generation and budgetary support during the 9th Plan is given below:—

Year	Budgetary Support excluding contribution to SRSF and Diesel Cell	% of total Plan	Internal Generation excluding contribution of SRSF and Diesel Cess	% of total Plan	Total Plan Size
1997-98	1992	24%	3452	42%	8239
1998-99	2185	25%	3455	39%	8857
1999-2000	2588	29%	3550	39%	9057
2000-01	3269	35%	3229	34%	9395
2001-02	4377	43%	2051	20%	10178
Total	14411	32%	15737	34%	45725

The budgetary support during the 9th Plan period increased to 32% from the level of 23% in the 8th Plan. If the contribution received from General Exchequer for Special Railway Safety Fund is also reckoned, the total budgetary support stands at 34%.

137. The physical targets and actual achievements for the 9th Plan are as below:—

Items	Targets	Achievement during 9th Plan
New Lines	819 Kms	663 Kms
Gauge Conversion	3710 Kms	2103 Kms
Doubling	2500 Kms	990 Kms
Electrification Projects	2334 Kms	2311 Kms
Electric Locos	851 Nos.	967 Nos.
Diesel Locos	785 Nos.	630 Nos.
Coaches	10909 Nos.	11619 Nos.
Wagons	136000 FWUs	99962.5 FWUs

The financial targets and actual expenditure for the 9th Plan are as below:—

Items	Allocations (Rs. crores)	Actual expenditure (Rs. crores)
New Lines	2500	2914
Gauge conversion	3627	3486
Doubling	2519	2417
Track Renewals	7158	7934
Electrification Projects	1562	1538
Rolling Stock	19266	18062

138. The Ministry of Railways have stated that the targets for Track Renewals, Electrification Projects have been largely met, however, there has been a shortfall *vis-a-vis* targets under plan heads New Lines, Gauge Conversion and Doubling. There has been a planned lesser acquisition of Rolling Stock in view of targeted freight traffic not materializing and consequent scaling down of requirements, which does not tantamount to non-relisation of targets. The shortfall *vis-a-vis* targets under plan heads New Lines, Gauge Conversion, Doubling are on

account of inadequacy of resources in the context of total requirement of resources for the entire shelf of projects. Expenditure incurred during the 9th Plan therefore, does not correspond to physical progress of projects in terms of Route Kms. The Ministry for the reasons cited does not consider the shortfall in these areas to be on account of non-performance.

139. During the oral evidence, the Committee were apprehensive about the achievement of physical targets relating to new lines and doubling *vis-a-vis* actual expenditure incurred in achievement of these targets. When asked to explain the reasons for cost over-run it has Financial Commissioner (Railways) explained—

“The expenditure shown here does include expenditure on works in progress also. Therefore, if you want information about cost over-run, it has to be taken up separately for the projects which have been completed and finished. What is given here is expenditure incurred not only on the completed projects but also on works in progress. So far as doubling is concerned, actual expenditure has been less than what has been projected.”

140. The Ministry of Railways have further stated that during the 10th Plan, the Railways would take measures for increasing efficiency, reducing expenditure, attracting capital for much needed investment in infrastructure and for increasing revenue. A major focus will be the augmentation of capacity on the saturated golden quadrilateral and its diagonals, which will require doubling of the single line patches, third and fourth line in some stretches, electrification of un-electrified areas and grade separation of busy level crossings and up-gradation of track and wagons for running freight trains at 100 Km/h. To achieve this, the Government has drawn up an important non-budgetary investment initiative for the development of Indian Railways to be called the National Rail Vikas Yojana. Salient features of this Yojana are:-

- (a) Capacity bottlenecks in the critical sections of the railway network will be removed at an investment of Rs. 15,000 crore over the next five year, *i.e.* 10th Plan period. These projects would include
 - (i) Strengthening of the Golden Quadrilateral and its Diagonals to enable the Railway to run more long-distance mail/express trains and freight trains at a higher speed of 100 km/h, at a cost of Rs. 8,000 crore;
 - (ii) Strengthening of rail conductivity to ports and development multimodal corridors to hinterland, at a cost of Rs. 3,000 crore;
 - (iii) Construction of four mega bridges—two over the River Ganga, one over River Brahmaputra, and one over the River Kosi, at a cost

of Rs. 3,500 crore. Further, the Government is also drawing up a plan to complete all the viable Sanctioned Railway Projects within the next 10 years.

141. The major components of plan expenditure with target fixed, actual incurred, variation and reasons for such variation for the last five years are given below:—

1997-98				
Components	BE	Actual	Variation	Reasons for Variation
1	2	3	4	5
Plan Expenditure				
(i) Capital	1831	1992	161	Due to additional budgetary Support.
(ii) Railway Funds	3419	3452 (41.9%)	33	Higher expenditure for Capital Fund.
(iii) Market Borrowings	3050	2795	-255	Non-materialisation of BOLT investments.
Total Plan Expenditure	8300	8239	-61	
1998-99				
Plan Expenditure				
(i) Capital	2200	2185	-15	Minor short-fall
(ii) Railway Funds	4400	3455 (39%)	-945	Lower availability of funds.
(iii) Market Borrowings	2900	3217	317	Higher requirement of market borrowings to partly off-set requirement under Railway Funds.
Total Plan Expenditure	9500	8857	-643	
1999-2000				
Plan Expenditure				
(i) Capital	2540	2588	48	Increase in expenditure due to shifting of Doubling work from Capital Fund to Capital.

1	2	3	4	5
(ii) Railway Funds	4160	3550 (39.2%)	-610	Lower internal generation.
(iii) Market Borrowings	3000	2919	-81	Non-materialisation of BOLT investment.
Total Plan Expenditure	9700	9057	-643	
2000-01				
Plan Expenditure				
(i) Capital	3291	3269	-22	Lower capital expenditure.
(ii) Railway Funds	4041	3229 (34.36%)	-812	Lower internal generation.
(iii) Market Borrowings	3668	2897	-771	Lower requirement of IRFC funds.
Total Plan Expenditure	11000	9395	1605	
2001-02				
Plan Expenditure				
(i) Capital	3540	4377	837	Due to additional budgetary support.
(ii) Railway Funds	3550	3625 (35.62%) (including SRSF)	75	Expenditure of Rs. 1434 crore under newly created Special Railway Safety Fund offset by reduced expenditure under DRF due to reduced internal generation.
(iii) Market Borrowings	4000	2175	-1825	Non-materialisation of OYW & BOLT investment and reduction of target of IRFC borrowings.
Total Plan Expenditure	11090	10177	-913	

Tenth Plan

142. The targets for the 10th Plan as proposed by the Railways are as below:—

Physical Targets

Items	Physical Targets
1	2
New Lines	1310 R. Kms.
Gauge Conversion	2365 R. Kms.

1	2
Doubling	1575 R. Kms.
Electrification Projects	2150 Kms.
Electric Locos	343 Nos.
Diesel Locos	444 Nos.
Coaches	11125 Nos.
Wagons (Four Wheelers Units)	65,000

Financial Targets

Items	Net Allocations proposed by Working Group, excluding SRSF (Rs. Crs)
New Lines	2500
Gauge Conversion	2500
Doubling	4000
Track Renewals	7420
Electrification Projects	1500
Electric Locos	16175
Diesel Locos	
Coaches	
Wagons	

143. According to the Ministry of Railways, the Planning Commission while preparing the Draft X Plan Document has adhered to a physical target of works and acquisitions as proposed by Railways. However, the Plan size in financial terms as indicated by the Planning Commission is less than the Plan size proposed by Working Group of Railways and forwarded to Planning Commission. The Ministry of Railways therefore has represented to the Planning Commission the need for restoration of the originally proposed Plan size. As the final X Plan document has not yet been published by the Planning Commission, it is not possible to indicate the final outcome of the Ministry of Railways' representations. The Ministry of Railways is at present hence adhering to the proposed targets and objectives for the X Plan.

144. However, later on the Ministry of Railways submitted in writing that with respect to reduction in the 10th Plan size of the Railways, the total plan size recommended by Railway Ministry was Rs. 64687 crore of which budgetary support was Rs. 40,615 crore. The Planning Commission had communicated that they had finalized the Tenth Plan based on the Railways' Tenth Plan proposal the discussions held in the Planning Commission and keeping in view the Plan priorities reflected in the Approach Paper. The Plan was finalized at 60,600 crore reducing the budgetary support to Rs. 27,600 crore. In response to a subsequent reference from the Ministry of Railways requesting for the Ministry's projection to be retained, the Planning Commission regretted stating that on account of the fact that the entire allocation for the 10th Plan had been exhausted, no enhancement of budgetary support could now be made. However, they advised that these outlays were indicative and would be operationalised through annual plan where allocations would be made each year depending on the budgetary resources made available to the Planning Commission in that particular year.

Annual Plan 2002-03

145. The Annual Plan 2002-03 (Budget Estimates) provided for a total outlay of Rs. 12,330 crores comprising internal generation of Rs. 2,630 crore (21%) Market borrowings of Rs. 3,000 crore (24%) and Capital from General Exchequer of Rs. 4,040 crore (33%), Special Railway Safety Fund of Rs. 2,210 crore (18%), Safety Fund of Rs. 450 crore (4%). The outlay is being utilised for achievement of the following physical targets.

	Budgeted 2001-02	Revised Target 2002-03	Achievements (upto Dec. 2002)
	1	2	3
1. Electrification (Route Kilometers)	350 route Kms.	375	208
2. Track Renewals (Track Kms.)			
(i) Primary	2750 track Kms.	3300	2430
(ii) Secondary	650 track Kms.	700	881

	1	2	3
3. Construction of New Lines (Route Kms)	82 route Kms.	190	63
4. Gauge Conversion (Kms.)	160 Kms.	890	139
5. Doubling	—	230	50
6. Rolling Stock			
(i) Locomotives			
Diesel	90	100	82
electric	90	69	43
(ii) Coaches			
EMUs/Metro	294	294	111
Others	1907	1734	1170
(iii) Wagons (in terms of 4 wheelers)	23,000	17,000	11501
7. (i) ROB/RUB	—	17	
(ii) Level Crossing			
(a) Inter locking		200	138
(b) Telephone		100	197
(c) Manning		526	83

146. Assessment of the Plan expenditure is a dynamic process. There are various budgetary review stages viz. August Review, Revised Estimates and Final Modification stages, to assess the requirement of funds and availability of resources. During these stages, a balance between the pace of expenditure and availability/generation of resources is maintained.

147. A comparative table giving the Plan outlay for Budget Estimates and Revised Estimates 2002-03 is as under:—

(Rs. in crore)

Allocation	Budget Estimates 2002-03	Revised Estimates 2002-03	Variation	Remarks
Capital	4040	4390	+350	Inclusive of additional funds received from Ministry of Finance for Udhampur-Srinagar-Baramulla New Line—being a National Project to be funded separately and based on the trend of expenditure.
DRF	2045	1886	-159	Pace of progress of works under SRSF faster than under DRF, hence increased requirement under SRSF but lesser requirement under DRF.
SRSF	2210	2310	+100	
DF	550	550	0	No Change.
RSF	450	264	-186	The construction of ROB/RUBs is a joint work of Railways & State Governments in which the State Government takes up the approaches to ROB/RUBs. Lesser utilization is due to delay in finalisation of approach alignment/fund constraint/delay in acquisition of land on the part of the State Government. Due to this, the expenditure would be on the lower side, leading to reduction of Rs. 186 crore in the requirement.
OLWR	35	35	0	No Change
IRFC Bonds	3000	2880	-120	The Revised Estimates have been arrived on the basis of re-assessed requirements, both physical and financial.
Total	12330	12315	-15	

According to the Ministry of Railways funds have been provided as per the demand/requirement and no restrictions on the plan expenditure has been imposed.

Annual Plan 2003-04

148. The Annual Plan 2003-04 has been proposed for a total outlay of Rs. 12,918 crore comprising internal generation of resources of Rs. 2,630 crore (20.36%), Market borrowings of Rs. 3,000 crore (23.22%) and Capital from General Exchequer of Rs. 4,544.34 crore (35.18%). In addition Rs. 433 crore (3.35%) has been proposed from Safety Fund from Diesel cess and Rs. 2,310.66 crore (17.89%) is expected to be provided for within Special Railway Safety Fund, of which the support from the Ministry of Finance shall be Rs. 1,600 crore. The last two mentioned sources would however finance some specific, identified Plan Heads only.

149. The Annual Plan 2003-04 constitutes an increase of about 4.8% over the revised plan outlay (Rs. 12,315 crore) of the year 2002-03.

150. The Draft Annual Plan for 2003-04, proposed by the Ministry of Railways to the Planning Commission was Rs. 12,520 crores with the following distribution of resources:—

1.	Internal Resources	Rs. 1960 crores
2.	Market Borrowings	Rs. 2000 crores
3.	Capital Support from the Exchequer	Rs. 5500 crores
4.	Accrual from Central Road Fund	Rs. 500 crores
5.	Special Railway safety Fund Contribution from General Exchequer	Rs. 2560 crores
	Total	Rs. 12520

151. Reacting to less allocation as approved by the Planning Commission/Government than that of proposed by the Working Group, the Ministry of Railways have stated that the contribution from General Exchequer towards Capital Support, Special Railway Safety Fund and Safety Fund from Diesel Cess are less than projected. Against proposed Capital Support of Rs. 5,500 crore, contribution from General Exchequer towards Special Railway Safety Fund of Rs. 2,560 crore and contribution from Diesel Cess of Rs. 500 crore, totalling up to Rs. 8,560 crore from

the General Exchequer the corresponding total receipts from the General Exchequer was only Rs. 6,577 crores. This resulted in lesser resource allocation than proposed to all items of activity financed from these sources of allocation. This will slow down the progress of works to a level below that envisaged. Growth of infrastructure in the Railways is funded principally from Budgetary Support. As Budgetary Support is less than proposed, this will reduce the growth of Railway infrastructure to a level lower than envisaged. However growth in Railways' share of the transportation depends not only on the available capacity for transportation by the Railways, but also on the competitiveness of Railways vis-a-vis other competing modes.

152. The Ministry of railways have further emphasized that given the requirement of funds for completing all sanctioned projects within a reasonable timeframe and the requirement of completing the identified works under Special Railway Safety Fund by 2006-07, the Support from the General Exchequer is inadequate. Further the Special Railway Safety Fund when set up was not to be financed from the General Exchequer as part of the budgetary Support but was to have been a dividend free grant from the Ministry of Finance. However, in view of a fact that the Budgetary Support is being considered by the Ministry of Finance and Planning Commission to include the contribution towards Special Railway Safety Fund also, an impression has been created of a higher level of Budgetary Support in the total Plan Outlay. Excluding the contribution from General Exchequer towards Special Railway Safety Fund, the contribution of Budgetary Support towards the total Plan outlay is considerably less. The internal resources for Annual Plan 2003-04 is inclusive of the total generation of revenue, both from traditional and non-traditional sources of revenue. These have not been separately estimated.

153. Asked to comment on the assessment of the Ministry of Finance and the Planning Commission that the decreasing trend of internal resources of the Railways from 58% to 29% and their built in inefficiency have been a cause of apprehension, the Ministry of Railways have stated that the financial health of the Railways deteriorated during the 9th Plan on account of implementation of the recommendations of the 5th Pay Commission which caused an almost 90% increase in the staff cost. However, the Railways have been trying to increase their earnings by various schemes to attract freight and passenger costumers. At the same time the Railways have planned to reduce its Working Expenses by right sizing its work force during the 10th Plan period by restricting intake of staff to the bare minimum requirement.

154. The net outlays (B.E.) earmarked for the year 2003-04 would be utilised for achieving the following financial and physical targets under some of the important Plan Heads during the year 2003-04:

A. Financial Targets

Plan Head	(Rs. in crores)
New Lines and Restoration	1005
Gauge Conversion	733
Doubling	443
Traffic facilities-Yard Remodelling	238
Computerisation	144
Railways Research	10
Rolling Stock	3795
Road Safety Works-Level Crossings	120
Road Safety Works-ROB/RUB	313
Track Renewals	2605
Bridge Works	302
Signalling & Telecom Works	689
Electrification Projects	123
Other Electrical Works	140
Machinery and Plant	140
Workshops incl. Production Units	273
Staff Quarters	75
Amenities for Staff	65
Passenger and other Users' Amenities	205
Other Specified Works	115
Inventories	210
Metropolitan Transport Projects	443
Investment in PSUs	732

B. Physical Targets**Plan Head**

Electrification	350 route Kms.
Track Renewals:	3850 route Kms.
(i) Primary	3300 track Kms.
(ii) Secondary	550 track Kms.
Construction of New Lines	225 route Kms.
Gauge Conversion	775 Kms.
Doubling	340 route Kms.
Rolling Stock:	
(i) Locomotives:-	
Diesel	85
Electric	69
(ii) Coaches:	
EMUs/Metro	227
Others	1760
(iii) Wagons (in terms of 4-wheelers)	20,050

155. The major thrust in the plan is on New Lines, Track Renewals, Doubling and augmentation of Traffic Facilities, Signal and Telecommunication besides replacement and acquisition of Rolling Stock and Passenger Amenities. Two plan heads are also operated for conversion of unmanned level crossings to manned crossings and construction of road over/under bridge. Apart from the outlays being provided to the project plan heads under Capital, allotment have also been made for the works of the Rail Vikas Yojana through investment in Rail Vikas Nigam.

Rail Vikas Nigam Limited (RVNL)

156. The special purpose vehicle (SPV) is a public limited company set up under the Companies Act, 1956 and is named Rail Vikas Nigam Limited.

157. The main objective of Rail Vikas Nigam Limited (RVNL) as per Memorandum and Articles of Association are as below:-

- (i) To enter into and carry on business relating to creation and augmentation of capacity of rail infrastructure including but not limited to the Golden Quadrilateral and its diagonals connecting the four metros and any other project (s) under National Rail Vikas Yojana and related activities.
- (ii) Acquire, purchase, lease license, concession or assign rail infrastructure assets including contractual rights and obligations.

158. Rail Vikas Nigam Limited will be entrusted with the execution of certain projects related to the strengthening of the Golden Quadrilateral and its diagonals and also other bankable projects covered under National Rail Vikas Yojana. The salient features of this Yojana are: (a) Capacity bottlenecks in the critical sections of the railway network will be removed at an investment of Rs. 15,000 crore over the next five years, i.e. X Plan period. These projects would include (i) Strengthening of the Golden Quadrilateral and its Diagonals to enable the Railway to run more long-distance mail/express trains and freight trains at a higher speed of 100 kmph, at cost of Rs. 8,000 crore; (ii) Strengthening of rail connectivity to ports and development of multimodal corridors to hinterland, at a cost of Rs. 3,000 crore, (iii) Construction of four mega bridges—two over the River Ganga, one over River Brahmaputra, and one over the River Kosi, at a cost of Rs. 3,500 crore.

159. The Chairman Railway Board informed the Committee:

"This Yojana can make an investment upto 15,000 crore in next 5 years. Whether it is doubling an quadrilateral, is one part, the other part relates to signal improvement track upgradation to allow the trains to run at a speed of 100 km. per hours, conversion of rolling stock."

160. He further informed the Committee:

"Such projects on which it would take less time and would reduce distance have already been sanctioned, but now these have been

taken under NRVY for quick funding so that the projects start remunerating Railways and be care viable projects."

161. The Company will also mobilize non-budgetary resources from bilateral/multilateral funding agencies, domestic financial institutions and through public private partnerships.

162. During the oral evidence, Financial Commissioner (Railways) informed the Committee:

"An allotment of Rs. 730 crore against Rail Vikas Nigam Ltd. has been proposed during 2003-04".

163. The broad breakup of the allocation is indicated as below:

Distribution of Rs. 730 crores

Sl.No.	Section	Proposed Outlay 2003-04
1.	New Lines	95
2.	Gauge Conversion	130
3.	Doubling	420
4.	Railway Electrification	85
	Total	730

SPECIAL RAILWAY SAFETY FUND

164. To accord top-most priority to the safety related works as per the recommendations of Railway Safety Review Committee, a non-lapsable 'Special Railway Safety Fund' containing a provision of Rs. 17,000 crore (Rs. 12,000 crore to be provided from general Exchequer and Rs. 5000 crore from passenger surcharge) was created in 2001-02. The Financial Commissioner (Railways) informed the Committee.

"Rs. 2,310 crore (RE) are likely to be spent during the year 2002-03 under this Fund".

165. The break-up of expenditure under SRSF for 2001-02 and 2002-03 (upto December, 2002) are given below along with physical targets for 2002-03:

	2001-02 Net Expenditure (Rs. in Crores)	2002-03 Net Expenditure till Dec. 2002 (Rs. in Crores)
Track Renewals	1106.6	989.9
Bridge Works	44.15	63.48
Signalling & Tele.	155.92	189.38
Rolling Stock	127.61	102.27
Total	1434.28	1345.03

The physical Targets for 2002-03 and achievement till Dec. 2002 are as below:

Items	Physical	Achievement upto Jan. 2003
Track Renewal	2645 CTR Kms.	2674 CTR Kms.
Bridge Works	465 nos.	305 nos.
Signalling & Tele.	220 Stations	225 Stations
Track Circuiting	300 locations	978 locations
Rolling Stock	(a) OHE inspection cars 9 (b) DMU coaches 12 (c) AC/DC EMU MC 7 (d) AC/DC EMU TC 25 (e) AC EMU MC 20 (f) AC EMU TC 50 (g) Wagons 595	4 4 6 8
Machinery & Plant		
Other Specified Works	1 item on NF Railway (Partial Funding)	—
Other Electrical Works	1 Item on Metro Railway (Partial Funding)	—

166. It was pointed out that one of the Plan Heads earmarked under SRSF is 'Rolling Stock' and Rs. 280 crore (BE) has been earmarked for the year 2002-03 to replace/purchase Rolling Stock. When asked for the reasons for inclusion of this head under SRSF while an exclusive body IRFC exists to finance for Rolling Stock the Ministry of Railways in their written reply have stated that the allocation towards rolling stock under Special Railway Safety Fund have been provided to procure rolling stock necessary to replace some of the rolling stock overaged as on 1.4.2001 and is in line with funds earmarked for other over aged assets identified for financing through the fund. The financing of rolling stock through IRFC is normally done for financing requirements of rolling stock based on transportation requirements and current replacements.

167. The break up for allocation under SRSF for different plan heads during the year 2002-03 is as shown in the following table as decided at the Budget Estimate and the Revised Estimate stages:

Items	Allocation Budget Estimates 2002-03 (Rs. in Crore)	Allocation Revised Estimates 2002-03 (Rs. in Crore)
Track Renewals	1276	1462.6
Bridge Works	139	155.89
Signalling & Tele.	505	447.23
Rolling Stock	280	240
Machinery & Plant	9	3.26
Other Specified Works	0.5	0.5
Other Electrical Works	0.5	0.5
Total	2210	2310.48

168. To reduce 'Human Failure' risk in train accidents, the ministry of Railways have stated that 'Human Failure' causing train accidents consists of 'Failure of Railway Staff and "Failure of other than railway Staff'. Though percentage share of accidents attributed to 'Railway Staff' continues to be in the range of 65%, over the years actual number of accidents under this category have come down from 363 in 1992-93 to 248 in 2001-02, thus reflecting a decline of 31%. As regards 'failure of

other than Railway Staff', there is an increase of about 72% in the same period which, predominantly, is contributed by negligence of road users at unmanned level crossings. Following important steps undertaken by the Ministry of Railways to prevent accidents due to human failure:

- (i) Fouling Mark to Fouling Mark track circuiting on entire 'A', 'B', 'C', 'D' and 'D' Spl. routes where speed is more than 75 kmph. have been completed.
- (ii) Auxiliary Warning System has been functional on Mumbai suburban sections of Mumbai.
- (iii) Last vehicle check by Axle Counter have been introduced on over 190 block sections and is being progressively added.
- (iv) Extended field trials of prototype ACD equipment have been completed successfully on Northern Railway.
- (v) Drivers and Guards are also being progressively provided with LED based electronic flashing lamps and hand signal lamps which have better visibility than the conventional kerosene-lit hand signal lamps.
- (vi) Training facilities for drivers, guards and staff connected with train operation have been modernized including use of Simulators for training of drivers. Other modern training aids are being provided at training centers. Rs. 73 crore have been provided under SRSF for upgradation of Training Institutes. Disaster Management Modules are also being developed.
- (vii) Performance of the staff connected with train operation is being constantly monitored and those found deficient are sent for crash training courses, and provided counselling also. Safety staff overdue for refresher course are not permitted on train duties.
- (viii) Periodical Safety Audit of different Divisions by interdisciplinary teams from Zonal Headquarters has been introduced.
- (ix) Drivers are given Breathalyzer tests to check for alcohol consumption while signing on. Surprise checks are also done to identify defaulters.

- (x) Emphasis is given on surprise inspections and ambush checks. Night inspections are conducted regularly to eradicate adoption of short cut methods and those who are found to be slack are taken up.
- (xi) Inter-Railway inspections and inspections by Railway Board teams have also been introduced.
- (xii) Psychological tests are given at entry level for some operating categories (Assistant Station Masters, Assistant Drivers etc.)
- (xiii) With the revamping of Railway Recruitment Boards (RRBs), quality of staff being selected through RRBs has substantially improved.
- (xiv) "Quality Management Systems" have been developed and implemented as per the ISO 9001 Quality standards in all the Production Units, majority of the Workshops and some of the sheds/depots. All other important manufacturing/repair units have also been advised to develop and implement Quality management systems.

169. On being asked as to who was authorized to fix urgency of a particular project in the absence of a prioritized list of projects funded by SRSF, the Ministry of Railways have stated that the urgency and feasibility of projects is assessed by the Zonal Railways who assess the requirement of funds and propose the required allocation of funds to the Railway Board. The Railway Boards decides on the actual allocations, based on the total funds available and the proposals of the Zonal Railways.

170. Regarding monitoring mechanism of projects being executed under SRSF, the Ministry of Railways have submitted that the Ministry of Railways has in fact accepted the recommendations of Standing Committee on Railways to constitute a Special Cell in the Railway Board for monitoring of the works being implemented under SRSF. A Committee of senior Railway officials has been constituted which undertakes the monitoring of works once in every 6 months. This is in addition to the monitoring of works being done at different other levels, viz.,

- (i) At divisional level of all Railways—on a monthly basis.
- (ii) By General Managers of Zonal Railways—every two months.
- (iii) By the Railway Board—every 6 months.

In addition monitoring of progress of works would be done at the Inter-Ministerial level, once in a year.

New Lines

171. Budgetary outlay for New Lines (construction) was estimated at Rs. 911 crore for the year 2002-03, which was later on, at the fag end of the year, revised to Rs. 1,319 crore. The physical target were also revised to 190 route Kms. only 63 route Kms. have been completed upto December, 2002. For the year 2003-04 the budgetary estimate for the same Plan Head has been kept at Rs. 1005 crore to achieve a target of 225 route kms.

172. While responding to ideal level of investment under New Lines, the Ministry of Railways have stated that considering an investment of about Rs. 1000 crore per annum and the average time frame of 5-7 years for new line Projects, the ideal shelf of new line projects may be of the order of Rs. 7000 crores. However, there is heavy throw forward of ongoing new line projects. As on 1.4.2003, the total throw-forward of new line projects would be approx. Rs. 24,000 crore. With a view to achieve speedier completion of the projects, funds have been mobilized through participation of State Governments, public/private partnership, funding from Ministry of Defence and additional budgetary support for National Project of Udhampur-Srinagar-Baramulla. Efforts are being made to generate more and more resources, other than normal budgetary support so as to expedite completion of the ongoing projects. Further, while allocating funds the requirement of operationally required projects are first met followed by projects where part/full of the section is nearing completion. As decided by the Government, State-wise balance in distribution of funds is also being maintained. The present level of investment is of the order of about Rs. 1000 crore per annum is not ideal to suit timely completion of ongoing new line projects. The projects are funded out of budgetary support and distribution of funds to various plan heads is done as per the availability of budgetary support. The throw-forward of National Project of Udhampur-Srinagar-Baramulla (which is being funded through additional budgetary support), as on 1.4.2003, is Rs. 2775 crs. The following funding other than budgetary support has also been tied up:

- (i) Sharing by Jharkhand/Karnataka State Government
Rs. 1128 crores.

- (ii) Special Purpose Vehicle—Rs. 720 crore.
- (iii) Funds from Ministry of Defence Rs. 158 crores.

173. The Ministry of Railways have further stated that the works of Port connectivity and four mega bridges appearing under New Line Plan head having a throw-forward of Rs. 4041 crore are to be implemented through National Rail Vikas Yojana and efforts are being made to get multilateral funding for these works. The throw-forward of balance new line projects is about Rs. 15,600 crore. In order to complete these projects is a span of 7 years, the requirements of funds would be of the order of Rs. 2200 crore per year (not considering escalation/inflation). With this investment, it may be feasible to complete about 800-1000 km. of new lines every year.

174. Regarding the need to reassess the priority of New Lines projects, the Ministry of Railways have stated that as per the prioritization approved by the Government in 1998, the projects have broadly been classified as those which are nearing completion, financially viable/operationally required, taken up on strategic considerations, in N.E. Region, and other socially desirable projects. The priority of projects have so far not been reassessed. The available resources are being allocated to the ongoing works keeping in view the *inter-se* priority maintaining the regional balance. Since 2002-03, allocation of funds have been made on the basis of area, population and throw forward of projects in the State. However, there have been major developments after the prioritization of 1998 such as State Government sharing the cost of the projects, National Rail Vikas Yojana etc. Government have recently directed Ministry of Railways to prioritize the projects within the budgetary allocation so as to complete as many projects as possible.

175. While justifying the higher allocation under this Plan Head at the revised stage, the Ministry of Railways have stated that the higher allotment under New Lines Plan Head is mainly on account of the additional budgetary support received from the Ministry of Finance for funding the Udhampur-Srinagar-Baramulla New Line Project. The Government in January 2002 had decided that the funding of this project will be outside the budgetary support received by the Railways from the Planning Commission. Keeping in line with this decision, the allocation for this project was shown as deposit *i.e.* funds to be received from other sources. However, in June 2002, Ministry of Finance

extended Rs. 400 crore as additional budgetary support for financing this project, which was sanctioned by the Parliament through the Supplementary Demands for Grants 2002-03 presented in July 2002. In the Revised Estimates however, this outlay of Rs. 400 crore has been reduced to Rs. 350 crore keeping in view the pace of progress of the work.

176. List of projects which can be completed partly/fully during 2003-04 is given as under:—

Sl.No.	Name of the Project	Kms.	Funds provided during 2003-04 (Rs. in crore)
1.	Una-Churaru Takrala of Nangal Dam—Talwara	16	12.31
2.	Parvel-Karjat	28	20
3.	Sasaram-Nokha of Ara-Sasaram	20	16
4.	Kakdweep-Namkhana of Lakshmikantapur-Namkhana	13.26	7
5.	Bajalta-Udhampur of Jammu-Udhampur	42	30
6.	Kakinada-Kotipalli restoration	45	21.32
7.	Mahendralalnagar-Amta of Howrah-Amta	12	5
8.	Hassan-Sharavanabelagola of Hassan-Bangalore	42	26
9.	Jagdishpur-Tilaiya of Rajgir-Tilaiya	10	12

Gauge Conversion

177. Budgetary outlays for Gauge Conversion were estimated at Rs. 807 crore during the year 2002-03 and the same were revised to Rs. 768.4 crore. Physical targets were also revised from 512 Kms. to 890 Kms. and against this revised estimate, only 139 kms. have been converted upto December, 2002. budgetary estimates in the current Budget have been earmarked at Rs. 733 crore to achieve a target of 775 route kms.

178. Submitting the reasons for enhancing physical targets against the reduced financial targets of the year 2002-03 the Ministry of railways have stated that the Explanatory Memorandum (2002-03) mentioned a target of 542 km. of gauge conversion. However, in the Budget Speech,

target for 267 km. length of the Surendernagar-Pipavav project was also fixed. This project is being implemented through Special Purpose Vehicle (SPV), with 2/3rd investment from other than budgetary sources. Taking this also into account, the target for the year was thus 809 km. During the course of the year, additional targets have been set for two more sections *i.e.* Virudunagar-Rajpalaniyam and Jetalsar-Junagarh, thereby enhancing the target to about 890 km. While the direct allocation to gauge conversion plan head has been reduced in the revised estimate, it has to be noted that for the SPV portion of the Surendernagar-Pipavav gauge conversion project, an outlay of Rs. 51.64 crore has been provided under 'investment in PSU' Plan head. Taking this into account the total commitment to gauge conversion works is in fact Rs. 12.79 crore more than in the B.E. Upto December 2002, 139 km. of converted lines had already been commissioned. The conversion blocks in the following major sections is presently under progress and track linking is in various stages:—

- (i) Surendernagar-Pipavav (267 km.)
- (ii) Tirupati-Pakala-Katpadi (104 Km.)
- (iii) Rajkit-Junagarh (102 Km.)
- (iv) Samdari-Jasai (156 Km.)
- (v) Mangalore-Kobakaputtur (44 Km.)
- (vi) Virudunagar-Rajapalaiyam (53 Km.)

179. The progress of all the above mentioned works is being monitored and it is expected that the sections would be converted shortly. List of gauge conversion projects which can be completed partly/fully during 2003-04 is given as under:—

Sl.No.	Name of the project	Km.	Funds provided during 2003-04 (Rs. in crore)
1	2	3	4
1.	New Jalpaiguri/Siliguri-Samuktala of New Jalpaiguri New Bongaigaon	180	65
2.	Bharatpur-Bandikui of Agra-Bandikui	98	40

1	2	3	4
3.	Jasai-Munabao of Luni-Munabao	97	About 90 (To be provided by Ministry of Defence)
4.	Kabakaputtur-Subrahmanya Road of Hassan-Mangalore	42	2
5.	Vilupuram-Pondicherry	37	11.20
6.	Rajapalayam-Tenkasi of Quilon-Tiruchendur and Virudunagar-Tenkasi	61	25
7.	Vadalur-Cuddalore of Salem-Cuddalore	30	10
8.	Thanjavur-Kumbakonam of Thanjavur-Vilupuram	39	15
9.	Gondia-Balaghat of Jabalpur-Gondia	48	3617
10.	Junagarh-Veraval with extension of Somnath of Rajkot-Veraval	76	35
11.	Dhola	70	15

180. While explaining the total throw-forward of already sanctioned Gauge Conversion projects and required level of investment to bear the same, the Ministry of Railways have stated that as on 1.4.2003, the throw-forward of gauge conversion projects will be approx Rs. 10,100 crore. The ideal level of investment to clear all the ongoing gauge conversion projects within a time frame of 10 years is about Rs. 1000 crore per year without considering inflation and escalation.

Doubling

181. Rs. 608 crore allocated in the Budget 2002-03 for Doubling were revised to Rs. 584 crore at the fag end of the year to double 230 route Kms., out of which only 50 Kms. has been doubled by December, 2002. Against this revised estimate, the Ministry have allocated Rs. 443 crore (BE) under the same Plan Head to double 340 route kms. during the year 2003-04.

182. Giving details of the total throw-forward under Doubling and the strategy to complete the already sanctioned projects, the Ministry of Railways have stated that as on 1.4.2003, the total throw-forward of doubling projects will be Rs. 4,900 crore. This includes doubling works

covered under National Rail Vikas Yojana having a throw-forward of about Rs. 1900 crore. The doubling project should normally take 3-4 years for its completion. The throw-forward of ongoing doubling projects is about Rs. 3000 crore excluding the projects of National Rail Vikas Yojana. Considering this, the ideal outlay for doublings is of the order of Rs. 800-900 crore per annum (without considering escalation and inflation). All efforts are being made to complete the doublings as per the revised targets. However, the commissioning of the sections may take some time as non-interlocked working in the yards may be undertaken in May/June as presently, it is the busy traffic season. The doubling projects have not been slowed down. However, there has been some difficulty in arrangement of line PSC sleepers, points and crossings and their sleepers which has been sorted out.

Electrification

183. During the year 2002-03 Budget the Ministry of Railways earmarked Rs. 238 crore for carrying out electrification works, which were revised to Rs. 247.2 crore to electrify 375 route kms. out of which 208 route kms. has already been electrified upto December, 2002. To continue the same Rs. 123 crore have been earmarked during the year 2003-04 to achieve a target of 350 route kms.

184. Justifying the increased allocation at the revised stage, the Ministry of Railways have stated that the financial throw-forward of all the Railway Electrification works as on 1.4.2003 is Rs. 723.37 crores.

185. While elaborating on the criteria for sanctioning of electrification projects the Ministry of Railways have stated that Railways Electrification projects are considered primarily on economic considerations and operational requirements. The guidelines being followed in this regard are: (i) each electrification projects is justified on Rate of Return basis (ii) In certain specific cases, electrification is justified on considerations of Operational Flexibility (iii) Electrification of a single line section (main line) is normally not to be considered (iv) while proposing electrification of a route, the rail network in the region in totality should be considered to include, if necessary, short route lengths, which would, otherwise, remain non-electrified and reduce operational flexibility.

186. Regarding ideal investment required to complete ongoing Railway Electrification Projects, the Ministry of Railways have submitted

that a yearly allocation of Rs. 350 crore under Electrification Plan Head would enable speedy completion of the ongoing electrification projects and taking up new Railway Electrification Projects that are operationally viable, financially remunerative, cost effective and improve productivity. So far, 253 Route Kms. have already been electrified till February, 2003. Balance 122 Route Kms. out the overall target will be achieved by March 2003. With this, the target of electrifying 375 Route Kms. in 2002-03 will be achieved.

Rolling Stock

187. Rs. 3,771 crore were allocated under the Plan Head—Rolling Stock at the budgetary stage during the year 2002-03, and the same were drastically revised to Rs. 3748.04 crore at the revised stage. However, physical targets were not revised downward. Against this revised estimate, the ministry of Railways have allocated Rs. 3795 crore in current year (2003-04) Budget.

188. Broadly outlying the procurement of rolling stock, the Ministry of Railways have stated that the rolling stock procurement is based on the broad-based requirement assessed for 5 years plan periods and fine tuned on annual basis, from year to year. This is done type-wise for the various types of rolling stock, on the basis of volume of traffic expected to be carried and the efficiency of utilization foreseen, in a particular year. The fleet of the rolling stock—both locomotives and coaches—is being upgraded with incorporation of modern technologies. With transfer of technology, both electric and diesel locomotives of higher horse power with improved attractive effort and higher trailing load are being manufactured indigenously. As a result, it has become feasible to haul freight trains at higher speeds without correspondingly increasing the number of locomotives. Similarly, in respect of wagons, vacuum braked wagons are no longer being manufactured. The new wagons are air braked and with fitment of composite brake blocks and hence the fading of brake power during run has considerably reduced. The concept of thorough maintenance at certain base depots in respect of close circuit rakes has paid rich dividends whereby the wagon obility as reflected in Wagon KM per wagon day has been showing improvement year after year. This strategy is being continued during the current X Plan period as well. The policy of procurement of new rolling stock envisages addition of rolling stock with due cognizance to the volume of traffic, utilization of various types of rolling stock and suitable up-gradation of technology of the assets.

The Ministry of Railways does not consider necessary for a reorientation of the procurement policy. Railways have six production units in the country and their capacities are as under:

Sl.No.	Name and Location	Capacity/Annum
1.	Chittaranjan Locomotive Works, Chittaranjan	150 electric locos
2.	Diesel Locomotive Works, Varanasi	150 diesel locos
3.	Integral Coach Factory, Chennai	1000 coaches
4.	Rail Coach Factory, Kapurthala	1000 coaches
5.	Rail Wheel Factory, Bangalore	105000 Wheels 50000 Axles
6.	Diesel Components Works, Patiala-Rebuilt	72 Diesel Locos

The actual production by these units during the last five years is as under:

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03 (RE)
CLW	165	165	120	120	82	69
DLW	164	161	137	103	102	100
ICF	1010	1057	1006	1000	1025	879
RCF	1031	1087	1182	1190	1204	942
DCW	74	78	70	64	63	72
RWF Wheels	92015	99688	89685	95591	83760	—
RWF Axles	52249	51055	44024	46912	35911	—

189. While responding to the scope for exporting rolling stock, the Ministry of Railways have stated that the Indian Railways, at present, is exporting their rolling stock i.e. locomotives, wagons, passenger coaches etc. through RITES & IRCON, two of the public sector undertakings under the Ministry of Railways. In some cases, however, relaxation is given to the General Managers of the Production Units to quote directly against export enquiries whenever the customer directly approaches them for the purpose. The Ministry of Railways (Railway

Board) has identified export of rolling stock as one of the thrust areas. RITES and IRCON have been directed to make aggressive marketing efforts for sale-lease of both new and the old rolling stock. RITES and IRCON have been allocated specific countries to avoid duplication of efforts. Stiff competition in the International market is, however, being faced from countries like China and South Korea. In order to compete in the global market in a meaningful manner, a number of measures have been taken by the Railway Board, the primary being. Flexible marginal costing approach has been adopted taking into consideration various Global Market forces and availability of surplus capacity. In these cases, the price of the product is arrived at by taking into account 5% overhead charges, nominal 3% profit and 2% performa charges in order to make the product globally competitive. Export orders to the tune of Rs. 34.44 crore were executed during 2001-2002. Orders worth Rs. 33.15 crore are likely to be executed during 2002-03 viz.:

- (i) Tender for supply of two types of diesel locomotive *i.e.* 3100 hp AC/DC and 3600 hp AC/DC @ 5.07 crore and Rs. 8.23 crore/locomotive respectively has been submitted through RITES in October, 2002 against Spoor-net (South African Railways) tender.
- (ii) Tender for supply of twin Bo-Bo, electric locomotives with Siemen's IGBT Propulsion system (alternatively CLW, GTO propulsion system) and up-gradation of 6E, 7E, 10E electric locomotives of Spoor-net has been submitted through RITES in October, 2002 against their tender.
- (iii) Tender for supply of 17 passenger locomotives and 41 freight locomotives @ Rs. 4.82 crore, totalling Rs. 279.56 crore been submitted to Syrian Railways through IRCON in December, 2002.
- (iv) 10 Standard Gauge, diesel locomotives of 1650 hp for shunting operation to Korean National Railways' through RITES.
- (v) 19 Yard Gauge, mainline locomotives of 2200 hp to Pacifico-line, Colombia-through RITES.
- (vi) Refurbishing of 72 traction motor armatures for Israel through IRCON.
- (vii) Tender for Self-Propelled Accident Trains to Sri Lanka Railways through RITES.

- (viii) Manufacture and supply of non air-conditioned Cape Gauge coaches for Namibia Railways through RITES.

190. The break-up of allocation made under the Plan Head Rolling Stock at the budgetary stage as well as at the revised estimates stage during the year 2002-03 from IRFC and SRSF is as under:

(In crore of Rs.)		
	IRFC	SRSF
B.E.	3000	280
R.E.	2880	240

When asked whether there is any provision in the budget to ensure that 'current arising' of 'replacements' are adequately provided for, the Ministry of Railways in their written reply have stated that the cost of replacement of assets is normally met out of the Depreciation Reserve Fund. Following the recommendations of Railway Safety Review Committee, the Government has set up the Special Railway Safety Fund to wipe out the arrears of replacement/renewal of safety assets accumulated upto 1.4.2001. However, the cost of current arisings/replacements is being met out of the Depreciation Reserve Fund. Annual need based contributions are made to this Fund from Railway revenues. The following net expenditure has been incurred/proposed to be incurred under Depreciation Reserve Fund since 2001-02 onwards:

	(Rs. in Crore)
2001-02 (Actuals)	1570
2002-03 (Revised Estimates)	1886
2003-04 (Budget Estimates)	2000

Signalling and Telecom Works

191. Signalling and Telecom works were allocated Rs. 724.7 crore in the Budget 2002-03, which were later on revised to Rs. 673.7 crore at the fag end of the year 2002-03. Against this revised outlay, the Ministry of Railways have made a provision of Rs. 689 crore for the year 2003-04.

Track Renewal

192. Under the Plan Head—Track Renewal during 2002-03 Rs. 2703.5 crore were allocated, which were revised to Rs. 2602 crore to renew 4000 Kms. (primary 3300 track kms. + secondary 700 track kms.). Against this revised financial estimates, Rs. 2605 crore have been allocated by the Ministry of Railways under the said Plan Head for the year 2003-04 to achieve a target of 3850 track km. (primary 3300 + secondary 550 km.).

193. Repair and maintenance of Railway track is an on-going process. Maintenance works are carried out regularly depending upon the need. For ensuring safety of traffic, track is inspected regularly and corrective action taken promptly wherever required. Speed restrictions are also imposed for ensuring safety, if the situation so warrants. The overaged track by itself is not a cause for derailments but at the same time it leads to more maintenance efforts, cost and affects punctuality of train operation.

194. Responding the concern of the Committee regarding quality of rails of Global Standard, the Ministry of Railways have stated that Bhilai Steel Plant (BSP) under Steel Authority of India is the only indigenous producer of rails. BSP had been supplying the rails to Indian Railways with some temporary relaxation, without compromising safety, to avoid imports. However, these relaxation have been withdrawn since 1.1.99. Improvement in specification of rails and its follow up has been continuous efforts. Currently, BSP is supplying rails as per specifications of Indian Railways which are in line with International Union of Railways (UIC) specifications.

Level Crossings and Road Over/Under Bridges

195. Two new Plan Heads for conversion of unmanned level crossings to manned crossings and construction of Road Over/Under Bridges were created in the year 2000-01. The Ministry of Railways allocated Rs. 125 crore under Plan Head—'Road Safety Works—Level Crossings' and Rs. 325 crore for the Plan Head—'Road Safety Works—ROB/RUB' during the year 2002-03. These financial targets were revised to Rs. 114.9 crore and Rs. 149.1 crore respectively at the revised stage of Budget. During the year 2003-04 Rs. 120 crore and Rs. 313 crore have again been allocated respectively under the same Plan Heads.

196. Out of Rs. 125 crores allotted to 'Road Safety Works—Level Crossings' in the year 2002-03, Rs. 50 crore was for the work of manning of unmanned level crossings and the remaining amount was for up-gradation of existing level crossings. At the revised budget stage the amount allotted for manning of unmanned level crossings was modified to Rs. 46.00 crore. Similarly during the year 2003-04 out of Rs. 120 crore allotted to 'Road Safety Works—Level Crossings', funds ear-marked for manning of unmanned level crossing are Rs. 50 Crore (approximately). The Railway had fixed a target of manning of 526 level crossings and had achieved a manning of 83 level crossings upto Dec. 2002. Similarly, 17 ROB/RUBs have been constructed upto Dec., 2002. A number of works are taken up for execution on the basis of allotted funds. During 2002-03 a total of 85 unmanned level crossings are expected to be converted into manned level crossings. Similarly, during 2002-03 a total of 17 Road Over Bridges/Road Under Bridges are expected to be completed under Plan-Head 'Road Safety Works—Conversion of Level Crossing into Road over/Under bridges. 30 Number of Road Over/Under bridges are targeted for completion during the year 2002-03 as given in the Performance Budget. 25 numbers of ROB/RUBs are targeted for completion during the year 2003-2004.

197. Enumerating the efforts to mobilize funds for manning the unmanned level crossings under Member of Parliament Local Area Development Scheme (MPLAD), the Ministry of Railways have stated that till date proposals for manning of 50 unmanned level crossings under MPLAD Scheme have been received from 39 Hon'ble Members of Parliament Funds from MPLADS have been fully/partially released to the Railways for manning of 20 level crossings only. Out of these 20 level crossings, work of manning of 12 level crossings has been completed and on 8 unmanned level crossings, work is in progress. In remaining cases the fund has not been released by Hon'ble MPs/State Governments.

198. Justifying the lower utilization of funds under this Plan Head, the Ministry of Railways have stated that the construction of Road over/under bridges is a joint work of Railways and State Government. Railway construct the bridge portion over the Railway tracks and State Government constructs approaches to the bridge. Utilisation of funds depends upon the physical progress of the works by the State Governments on approaches also. Railways try to complete their portion along with or before the completion of works on approaches. Various

problems are encountered during execution, which affects the overall progress of work. Some of the problems are mentioned as below:—

- (i) Delay in finalisation of approach alignment by State Government/Local Bodies.
- (ii) Delay in acquisition land by State Government/Local Bodies.
- (iii) Delay in finalisation of General Arrangement Drawings, preparation of estimates for approaches and sanction of same by State Government/Local Bodies.
- (iv) Delay in diversion of existing road traffic of level Crossing to facilitate construction of ROB/RUB work by State Government/Local Bodies.
- (v) Constraints of fund with the State Government for these works.
- (vi) Non-inclusion of work in their annual plan by State Government.

RECOMMENDATIONS

PASSENGER TRAFFIC

199. The Committee are disturbed to note that total traffic earnings for the year 2002-03 work out to Rs. 41,284 crore as against the budgeted target of Rs. 41,488 crore, that is, a reduction of Rs. 204 crore. They are even more perturbed to find that Passenger traffic has shown a decline of more than 3% by the end of December 2002 and therefore the passenger earnings in the Revised Estimates (2002-03) have been assessed at Rs. 12,730 crore, which is Rs. 720 crore less than the Budget Estimates. The Committee opine that this is a very alarming situation more so as this decline is mainly in the most popular class *i.e.* ordinary second class travel, the segment which is most susceptible to price hikes and also the beneficiary of bulk of cross-subsidization.

The Committee are however, of the view that though the present budget has not proposed any hike in the urban and suburban season tickets and short distance passenger train segments, more analytical and specific efforts are required to be taken by the Railways to attract which has been lost to alternative modes of transport. Therefore, the Committee recommend that rationalization of Passenger fare structure should be made more comprehensive and competitive in all classes *vis-a-vis* road and air transport without compromising with quality of service to be provided.

200. The Committee observe that the Minister of Railways has declared the 150th year of Railways as 'Customer-Satisfaction Year' where the emphasis would be on safety, security, punctuality and cleanliness. They are of the view that a basic infrastructure is a prerequisite for providing any additional facilities to the customers. For instance installation of Coaching Operation Information System (COIS) should be installed before committing about punctuality of trains. They note that even without any basic preparation, a declaration of Customer Satisfaction Year has been made hastily. The Committee stress that basic infrastructure should have been developed first and foremost. They are also not convinced with the allocations made for the purpose, as no separate provision has been

made to undertake any work in this regard. So far as Passenger Amenities are concerned, the allocation earmarked is Rs. 205 crore this year (2003-04) *viz-a-viz*. Rs. 200.1 crore last year (2002-03), which is not a substantial increase to execute the amenities to be provided to the passengers during the Customer Satisfaction Year. The Committee emphasise that since the year has been declared as the Customer Satisfaction Year, the Railway should take drastic steps to bring about significant and noticeable difference in the quality of their services in the trains/stations such as (i) providing phone facilities (ii) availability of medical attention (iii) availability of pure drinking water (iv) clean toilets (v) proper information and enquiry system (vi) proper announcement system (vii) music system (viii) general maintenance and cleanliness in coaches, waiting rooms, platforms and stations if necessary, through outsourcing (ix) proper ticketing system (x) proper renovation and repairs of coaches (xi) beautification like painting of the stations and its surrounding areas (xii) earmarking separate seats for the physically handicapped passengers etc. They stress that these measures, which would also act as a catalyst to augment the railway traffic, should be taken on war footing so that the customers at a glance notice the difference in railway functioning and the quality of services being provided by the Railways during this Customer Satisfaction year. The Committee also desires that the respective General Managers (once in a year) and Divisional Regional Managers (twice a year) should visit all stations under their jurisdiction to see the implementation of these measures.

201. The Committee note that persons travelling from far-flung areas suffering from serious ailments travel in long distance trains/ limited stoppage trains such as Shatabdi/Rajdhani and other superfast trains for their treatment in Metro cities having high-tech medical facilities. In the absence of non-availability of specific coach for these patients a lot of inconvenience and discomfort is faced by the patients and other adjacent passengers especially in sharing civic amenities. They also note with concern that due to non-availability of medical aid in the running trains, patients with serious and chronic ailments suffer the most and at times it is also fatal. The Committee, considering the gravity of the situation, therefore, recommend that the Railways should arrange a special coach adequately equipped with life saving devices, medicines including qualified doctors and nursing staff in the aforementioned trains to attend serious patients on board, in case of emergency.

FREIGHT TRAFFIC

202. The Standing Committee on Railways earlier in their Reports had expressed their concern regarding the declining share of Railways *vis-a-vis* Road transport in the movement of goods and even passengers over the years. In this regard they had noted that though freight movement all over India had increased manifold, Railways could not attract the same mainly due to capacity constraints on major trunk routes which carry the bulk of both passenger and freight traffic, inadequate provision for replacement of overaged assets, time and cost overruns in the execution of projects and last but not the least perspective planning and lack of professional marketing approach in competitive road transport and freight economy. The Committee find that the Ministry have rationalized freight structure to some extent viz. (i) no across the board increase in freight rates has been announced (ii) total number of classes have been reduced from 59 to 32 and would be revised to 27 subsequently (iii) ratio between the highest and lowest freight class has been reduced from 8.0 to 3.3 and would be further reduced to 2.8.

203. The Committee are of the opinion that the aforesaid steps will surely help Railways in enhancing freight traffic. However, in order to draw more freight traffic and enhance their share *vis-a-vis* Road Transport, the Railways should also focus on - (i) capacity augmentation (ii) improvement of productivity (iii) enhancement of safety of rail operations (iv) introduction of door to door service for freight movement (v) increased speed of freight trains (vi) laying of additional track alongwith the existing lines on congested routes for goods traffic (vii) running of shadow trains (viii) aggressive marketing to draw more traffic (ix) more computerized freight terminals (x) more marketing approach etc.

204. The Committee note that the Ministry of Railways have without any convincing reasons changed the Class of timber waste with prime log wood for manufacturing paper pulp from 110 to 130 in T/L resulting in increased in high freight rate for the timber waste. The Committee desire that the same may be reviewed at the earliest in the light of Railway Board letter No. TCR/1015/96/14/Vol.-II dated 14.01.2002 w.e.f. 15.02.2002.

205. The Committee find that freight traffic is decreasing in importance as the core competence of the Railways in moving bulk

items in unit train is facing stiff competition by alternate modes such as coastal shipping, heavy duty trucks, conveyor belts slurry and oil pipeline. These are more cost-effective to the user and provide better services such as door to door delivery and less warehousing. They feel that the Railways should no longer wait and look for getting train loads of traffic in its sidings, instead they should be on a look out now even for meager transportable material.

The Committee recommend that a body, within the Railways, should be constituted to look into the business of container transportation. They emphasize that this body can exclusively focus on the parcel and small size cargo of the small industries in every nook and corner of the country. It can have very short transit time between distant points in the country using the luggage and parcel space in mail and express trains. They suggest that the well spread out railway stations can be receipt and delivery points of the cargo. They also stress that the improved methods of communication can provide accurate information about the whereabouts of the parcels and exact time of the arrival of cargo to the customers. The Committee emphasize that in the present scenario of competition, the potential of such business is enormous and it would bring overall efficiency in transportation and fuel consumption apart from enhancing the revenue earnings of the Railways.

206. The Committee note that the Ministry have proposed to rationalize the rate structure for booking of parcel and luggage traffic. They find that at present parcels are charged under seven different scales based on the type of commodity. The Ministry of Railways have proposed that all type of commodities, including luggage will now be charged uniformly at the same rate, under four scales, depending on the types of service selected by the customer. The Committee are of the opinion that this proposal would simplify the booking procedure of parcel and luggage traffic and optimize the use of transport capacity available for carriage of parcels by different trains. They recommend that this proposal to simplify the procedures for booking carriage and delivery should be implemented with promptitude and be effective so as to show early and permanent results on freight and parcel traffic.

RAKE ALLOTMENT

207. During the course of evidence the Committee noted that the distribution of rakes has not been made in accordance with the

principle of maintaining regional balance, so far. With the result huge amounts of cargo remains unlifted at the ports and transshipment centres leading to national loss. They also find that transparency is not maintained in availability and allocation of rakes, keeping the consignors in dark as to the time period involved in lifting of their cargo. The Committee, therefore, recommend that transparency should be maintained in availability of rakes, priority of applicants and allotment of rakes should be computerized and displayed to the public at the Divisional Headquarters and in Newspapers so that the applicants may plan accordingly. The Committee feel that by maintaining transparency railway finances would also improve substantially.

208. The Committee find that Zonal Managers have been given additional discretionary powers. They are of the view that this would help the officials to take immediate and prompt business decisions, on the spot, to pick up opportunities available in the field. They are hopeful that the additional powers alongwith freight rationalization would definitely enhance the freight earnings of Railways as even the smallest of opportunities could be fruitfully utilised. The Committee, however, suggest that proportionate additional financial powers should be delegated to Divisional Regional Managers also, with proper check, to draw more and more traffic at field level itself. They also expect that this decentralization or delegation of powers would give the desired results.

LAND MANAGEMENT

209. The Committee find that the Railways own about 4.23 lakh hectares of land which is mainly used for locating service and operational infrastructure such as track, stations, workshops, staff colonies etc. Land being an important non-traditional source, a proper and scientific management of this asset must be ensured. However, the Committee have been informed by the Ministry of Railways that 98% of the land plans are available and 86% of these plans have been certified by the Revenue Authorities. They find that except the Western Railway on other Zonal Railways have completed the computerization of land plans so far. They also find that there is no substantial decline in Railway land under encroachment. Despite the proactive actions taken by the Railways, 2218 hectares of Railway land are still under the unauthorized encroachment. The Committee while taking a serious note of situation desire that the land plans

be completed and computerized without any further delay so that the Railways could plan for commercial utilization of these lands. They also suggest that for recovery of land from the encroachers, the Railways should form a Joint Committee consisting of the representative of the Railway Board, State Government and the local MP to negotiate with the encroachers for one time settlement.

SAFETY

210. The Committee feel that Safety is one of the most important aspects in the running of trains be it passenger trains or freight trains. They were informed that Ministry is likely to spend Rs. 433 crore and Rs. 1230 crore respectively under Railway Safety Fund for overbridge/underbridge construction works and level crossings and Special Railway Safety Funds for track renewals, bridge works, signaling and tele-communications and rolling stocks for the year 2003-04. They are satisfied that with the creation of the SRSF for clearing arrears upto April, 2002, replacement of over-aged assets is now assured. However, the Committee stress that the Ministry in the budget must ensure that 'current arisings' of replacement are also adequately provided for. Though they welcome reduction in the expenditure of the Ministry, they caution them against making compromises in the quality of inputs for maintenance of coaches, wagons, tracks etc. The Committee recommend that proper and surprise inspections for maintenance of coaches, wagons and tracks from time to time are indispensable and should be made to ensure safety. In regard to the level crossing accidents, they suggest that the Ministry should take up grade separation and make provisions for gate signal on a continuous basis especially in unmanned Railway tracks so as to avoid serious security hazards to the trains. Though the Ministry have specified a number of steps to ensure safety in Railways, the Committee desire that these may be implemented promptly and in the right earnest to reinforce confidence among people about safe and comfortable travel in trains.

211. The Committee are of the opinion that the Railways have not been able to come out with comprehensive policy on safety and accountability at Board, Zonal and Divisional level so far. The Committee strongly recommend that the safety policy and accountability to public should be reflected in the 'White Paper on Safety' to be brought out by the Ministry as announced by the Minister of Railway in his Budget Speech.

212. The Committee observe that Anti-Collision Device (ACD), a micro processor based equipment developed indigenously to prevent collision is likely to be installed on locomotives, brake vans at stations and level crossing gates etc. A survey is proposed to be carried out over 10,000 kms. and ACD would be provided over 1750 route kms. during 2003-04 to accelerate the pace of the installation of ACDs. The Committee were informed that this was a new innovation of our country and the Railways have applied for patent in 128 countries of the world. The Ministry of Railways have also informed the Committee that Rs. 50 crore have been sanctioned for induction of ACD facilities in North Frontier Railway. They also submitted to the Committee that so far it has been tested upto 80% collision free effectiveness on tracks. The Committee are of the view that all tests should be carried out on ACD to ensure 100% collision free system before their induction. They feel that the Railways have inordinately delayed the application and execution of ACDs on different routes. However, they desire that this system should be installed on the Indian Railways as early as possible to project a picture of safe railway journey in the minds of the customers. The Committee would desire to be kept abreast of the progress in the matter.

213. The Committee observe that the major contributing factors for accidents have been found to be human failure. They find that 20,000 vacancies in safety categories in Group 'D' would be filled up through Railway Recruitment Board within the next one year and this would be in addition to employing 3500 constables in RPF. The Committee fail to understand the logic behind inducting such a large numbers, when the major contributing factors for accidents have been found to be human failure. Though they are convinced that this create more jobs for people, they are apprehensive that it would add to the already over-sized Railways in combating the rising menace of track tampering.

The Committee suggest that instead of proposing a contingency plan to absorb people, the Railways must concentrate on re-training the existing work force and re-deploy the staff as far as possible. They also stress that vigorous and wide training regarding observing safety norms be given at different zones to the Railway employees especially the travelling staff and a disaster management module be worked out and sincerely followed.

MORE POWERS TO RPF

214. The Committee note that certain amendments are being proposed in the Railways Act, 1957 and the Railways Protection Force Act, 1989. They desire that RPF personnel be given more powers to handle and tackle the safety situation so that it assists the State Governments in performing their role in railway safety by combating security threats etc. The Committee desire that the amendments in the Acts should be brought out at the earliest.

CHECK ON TICKETLESS TRAVEL

215. The Committee find that there is substantial amount of revenue leakages in the form of ticketless travel or fake tickets. They also find that ticket checking system has substantially deteriorated and touts are on increase as passengers, especially during the peak seasons, are unable to get reservations in some trains, even when the booking is done a month before the date of travel. The Committee stress that all out efforts *viz.* (i) improvement in vigilance system (ii) surprise checks by senior officers (iii) adequate number of ticket windows at stations (iv) more open ticket counters in the cities (v) no advance reservation for short journey *i.e.* upto 200 kms. should be made to plug leakages and check this widespread menace. They also advise the Ministry that punitive action be taken in case a Railway employee is found to be conniving with the touts. The Ministry should also take stern action against the employees causing harm to the railway property or misusing it. The Committee strongly recommend opening up PRS Centres at non-rail heads District Head Quarters where District Administration provides free accommodation to the Railways.

ENHANCING INTERNAL RESOURCE GENERATION AND REDUCING DEPENDENCE ON IRFC

216. The Committee are informed that the Indian Railway Finance Corporation (IRFC) was set up in 1986 to partly finance plan outlay of the Railways by raising money from the market and meeting the developmental needs of Indian Railways. They were also informed that gross asset value of rolling stock leased/sub-leased by IRFC to the Ministry of Railways till 31st March, 2002 is Rs. 23,874 crore. During the oral evidence, the Committee were apprised that the Ministries are not permitted directly to borrow from the market.

They were also intimated that the cost of money or the interest paid was higher than the dividend rate. The Committee note that there is a steady decline in contribution of internal resources to the annual plan expenditure resulting in increased reliance on market borrowings. They find the budget (2003-04) has announced several measures to raise additional resources. They feel that the Ministry should take some tough measures to restore the revenue generating potential of freight business and make further efforts to enhance freight business. Simultaneously they should also reduce the losses incurred in passenger business.

The Committee caution in Ministry against excessive borrowing through IRFC to meet the growing demand for investment in rolling stock, maintenance of plant machinery and replacement of overaged assets. They desire that the Ministry should instead make all out efforts to enhance their internal generation of funds through prioritization of projects and by completing near-completion/last mile projects so that they start remunerating the Railways and reduce their dependence on market borrowings. The Committee emphasise the strategies for reducing input cost vigorously and liberalise existing policies and guidelines to attract private investments in development plans. They hope that the Ministry would pursue these strategies aggressively so that resources become available to fully service their renewal programmes. They would also recommend that the Ministry should explore and pursue non-traditional sources of earnings such as commercial utilisation of their land and air space etc.

INDIAN RAILWAY CATERING & TOURISM CORPORATION

217. The Committee note that the IRCTC has been fully operational from August, 2001 with the objective to upgrade the catering services of IR, development of food plazas at railway stations, promotion of domestic and international tourism and development of rail based tourism infrastructure, strengthening railways' linkages with travel intermediaries facilitating rail travel through internet based ticketing, electronic travel distribution system, provision of pure and safe packages, drinking water to rail users and establishment of value budget hotels at important railway stations. They were apprised that the IRCTC were providing catering/ vending services through reputed caterers whose services are satisfactory. The Committee, however, have all doubts about the

quality of services provided by the licenced caterers through IRCTC. They desire to know the difference of quality of service before and after the IRCTC came into being. The Committee emphasize that the IRCTC should physically takeover catering needs of the customers, for which creation of this professional Corporation was made, instead of leasing/subleasing the same to private caterers with immediate effect.

218. The Committee have observed that during the train journeys, the IRCTC caterers at times provide poor quality and unhygienic food, no water or impure water, bed rolls, bed sheets and pillow covers which are not only dirty and soiled but also torn and not usable by the customers and passengers. Apart from this, the behaviour and conduct of the caterers are rude and discourteous towards passengers. The complaints of the suffering passengers fall on the deaf ears of the caterers, who behave according to their whims and fancies. They find that in case the aggrieved passengers make a complaint to the conductor or TTE, who is a Railway employee and a representative of Railways, is unable to do much as he is not empowered to take any action against the offenders. In fact, many a time he too has to face the brunt of the caterers. The Committee feel that the TTE on board should be given powers to take some action against the caterers and provide relief to the customer(s). The complaints of the customers and the TTE against the caterer should be dealt with seriously subsequently so that the same is not repeated in future. The Committee also recommend that surprise visits from time to time and inspections should be made by senior officers in the trains to keep a vigilance on the caterers and their services.

219. The Committee were informed that appointment of caterers for the IRCTC were based on two packet system, that is, in first packet their credentials, experience and particulars etc. are recorded and screened, thereafter bids of suitable candidate are considered. They were unhappy with the prevailing system of selection of caterers to the IRCTC. They emphasize that the professional education qualification in catering and hotel management etc. alongwith the bids should be the basic criteria for selection of caterers. They desire that the Ministry of Railways must adopt a more professional approach in selection of caterers to the IRCTC so as to provide the best of services to the customers.

COMPLAINTS & SUGGESTIONS

220. The Committee note that often the complaints of the traveling public go unheard by the Railways. They find that the complaints made by the passengers or VIPs or representatives of people is not registered in many cases. Even if the complaint is somehow registered, neither action is subsequently taken on the complaint nor its acknowledgment is made. They also find that suggestion books kept at stations and in trains are not even seen by the Railways. The Committee feel that it not only creates an opinion in the minds of people about the lackadaisical and callous approach of Railways but also it offends them away to other modes of traveling, wherever possible. The Committee recommend that the complaints/suggestions made by the passengers, VIPs and the representatives of the people should invariably be registered and duly acknowledged in the trains or at the next station itself. They desire that each and every complaint or suggestion should be taken up seriously by the Railways at sufficiently high level and dispose of expeditiously thereby reassuring the passengers to travel by train. The Committee recommend that while dealing with the complaints, the Railways should consider the suggestions made therein to make improvements in Railway facilities and services.

Many a occasion, the Members of the Committee raised serious lapses of the Railways' working in their meetings, which Railway Board fail to comply till the finalisation of this Report. Even to the extent that the queries required to be complied by Railway Board has not come forthwith. The Committee express their concern with the attitude of the officials and disapprove of this evasive attitude of the Railway Board.

NEW TRAINS DECLARED

221. The Committee observe that 50 new trains running between different stations have been declared in the budget this year. After a close study, they find that some of them are in highly congested areas while in some other cases, basic infrastructure for running those trains is missing. They find that even gauge lines for the declared train are yet to be constructed. They feel that there has been a hurried declaration of 50 new trains without conducting proper surveys of the routes/tracks/capacity/demand. Apart from this, they are also apprehensive that it could be even compromising with

the safety of these trains as they are likely to overstress the tracks (beyond the track capacity). Besides, keeping in view that the passenger services are heavily cross subsidized *viz-a-viz* freight services, it could lead to declining and trend of passenger earnings. They emphasize that before declaring new trains/extension of existing trains, a proper survey of the routes, tracks and capacity should have been made. They urge the Ministry to start or extend a train on a particular route based on its commercial viability, demand of the people and their local representatives, places of tourist importance and religious places such as direct train from Delhi to Haridwar. It should be ensured that the basic infrastructure for running these trains exist so that there is no compromise with safety aspects. The Committee stress that instead of declaring these new trains in urgency, the Railways should spend their valuable resources on safety, punctuality and cleanliness of the existing trains services.

IX & X PLAN ALLOCATIONS

222. The Committee are distressed to note that physical performance achieved during the IX Plan period especially under Plan Heads namely New Lines, Gauge Conversion and Doubling has not been commensurate with the financial allocations made. It is also noteworthy that the share of Plan funding from external sources *viz-a-viz* internal resources has increased from 24% in 1997-98 to 43% in 2001-02 whereas the internally generated resources have witnessed a decreasing trend from 42% in 1997-98 to 20% in 2001-02. Moreover, a candid fact is that all the five Annual Plans under IX Plan had to be cut short at the revised stage primarily due to lower materialization of internal resources. As far as the X Plan is concerned, the Ministry of Railways have submitted before the Committee that the Planning Commission has adhered to the physical targets as proposed by the Working Group of Railways whereas they have lowered the financial targets. The Ministry of Railways have further submitted that they have represented to the Planning Commission for restoring the originally envisaged and proposed financial targets by the Working Group and the final outcome will be known only when the X Plan document is laid in the Parliament. The Committee, having studied the subject in-depth, are of the view that the Railways must invariably show some tangible results on physical plane otherwise their credibility will be at stake. This view can be further strengthened with the fact that the Railways have not been able to achieve physical performance even when the share of

funding the Plan from the General Exchequer has enormously increased to the level of 57.42% in 2003-04. Therefore, this Committee cannot help but desire that the Ministry must not spare any stone unturned to save their credibility as far as their performance is concerned. They further desire that all on-going projects must be completed in a time bound manner as in case of Konkan Railway. They also stress that paltry/token allocation of funds to projects be discouraged.

ANNUAL PLAN 2002-03 AND ANNUAL PLAN 2003-04

223. The Plan allocation for the year 2002-03 has been revised to Rs. 12,315 crore from Rs. 12,330 crore, which does not indicate any substantial variation. However, had the Ministry of Railways not received an additional amount of Rs. 450 crore under Capital and Special Railway Safety Fund, the revised Plan size would have been below Rs. 12,000 crore. Moreover, the distressing fact is that the outcome of internal generation of resources has witnessed a volatile trend affecting the performance of the Railways to a large extent. The Plan allocation for the year 2003-04 has been estimated of the order of Rs. 12,918 crore, which is 4.8% higher than the previous year's allocation. Out of the total outlays of Rs. 12,918 crore, Rs. 6577 crore (57.42%) have been provided from General Exchequer. Again the proposed financial targets from internally generated resources have been estimated at Rs 2,630 crore (20.36%), which causes concern to the Committee since the actual realization from internal resources has not been satisfactory over the last few years. Therefore, the Committee are constrained to note the lower realization of internal resources and hope that the Railways will exert their all concerned efforts to achieve both financial and physical targets envisaged for the year 2003-04

RAIL VIKAS NIGAM LIMITED

224. To materialize the Prime Minister's vision to cruise the Indian Railways on the fast track growth, the Government have constituted a Rail Vikas Nigam Limited (RVNL) on 26th December, 2002 with a non-budgetary provision of Rs. 15,000 crore to strengthen the Golden Quadrilateral and its diagonals, port connectivity and construction of four mega bridges within a time-frame of 5 years. The said Nigam will commence mobilizing resources by way of equity and debt. A part loan of US\$ 313.6 million has already been

approved by the Asian Development Bank to Nigam in question. The Committee have also been informed that an allocation of Rs. 730 crore has been proposed during the year 2003-04 to implement the viable projects. They have been further briefed that as transfer of projects from the Railways to the Nigam will take time, the actual work will start after the financial closure for the year 2002-03. The most important fact about this Nigam is that the debt servicing arising out of it will be met with the incremental revenue generated by these projects. The Committee appreciate this visionary initiative on the line of National Highway Authority to supplement the Railways' efforts to strengthen and augment their infrastructure to achieve viability. However, they are equally concerned over the debt servicing liabilities which will accrue on this account especially in view of bad experience in case of Konkan Railway Corporation. The Committee, in this connection, strongly desire that at all costs only viable projects be taken under the RVNL, which can substantially increase the internal resources of Railways.

FIXATION OF PRIORITY OF PROJECTS

225. Given the unmanageable shelf of all sanctioned infrastructural projects, the Ministry first time prioritized only New Lines and Gauge Conversion projects in November, 1998 in different categories based on their need and justification. However, the Standing Committee on Railway could not get convinced over the way the categorization/prioritization was done by the Ministry. Moreover, the prioritization of projects has been done category-wise and no inter-se priority project-wise has been fixed. Keeping in view the multiple sources of funding of the already ongoing projects, it becomes quite expedient on the part of the Railways to fix inter-se priority project-wise so that realistic results may be achieved in synergic and cost-effective way. Therefore, the Committee cannot help but recommend to the Ministry of Railways to accord due consideration to review their existing priority fixation procedure and perception. They also recommend that this exercise for re-fixation of priority of projects be taken-up for all infrastructural projects being funded from Budgetary Support.

PUBLIC SECTOR UNITS

226. The Committee have noted with concern that all the six Public Sector production Units have not been able to utilise their

production capacity over the last 2-3 years not because of their inefficiency and less productivity but since they could not get adequate orders from the Ministry of Railways. To tap the potential of these Units fully, the Ministry of Railways have agreed to accord more autonomy to these PSUs to make them more independent to take investment decisions, to be more free to adopt competitive pricing and powers for marketing both in the domestic and international markets to the extent of surplus capacity available. The Committee also agree to the decision of the Ministry and desire that the process of granting more autonomy to these PSUs be expedited and the final outcome of the matter be apprised to the Committee in this regard.

UNREALISED EARNINGS FROM SEBs/PHs

227. The Committee are concerned to note that unrealized earnings of the Ministry of Railways as on 31st March 2002 was Rs. 2090 cr. out of which approximately 77% was due from various State Electricity Boards (SEBs)/Power Houses (PHs). Further, they find that there has been fresh accretion of Rs. 417 crore to traffic suspense. On a close study it was found that the Badarpur Thermal Power Station (BTPS) headed the list of defaulters followed by the Punjab State Electricity Board (PSEB), the Delhi Vidyut Board (DVB) the Rajasthan State Electricity Board (RSEB) and the National Thermal Power Corporation (NTPC) etc. with the outstandings of Rs. 960.22 crore, Rs. 693.81 crore, Rs. 173.79 crore, Rs. 130.90 crore and Rs. 56.63 crore respectively as on 31.01.2003. The Committee observe that the Ministry of Railways have taken number of steps to recover dues from the State Electricity Boards/Power Houses including follow up with the Ministry of Finance, the Ministry of Power and the Chief Ministers of respective States. They have even approached the Planning Commission to make deductions from the central plan assistance and transfer it to the Railway Board. However, despite all these efforts, the Ministry have been able to recover only to the extent of Rs. 159.23 crore, so far. The representatives of the Ministry of Railways informed the Committee that the NTPC have promised to clear the entire dues before 31st March, 2003 by cash, while in case of the PSEB, DVB, RSEB the matter has been taken up with respective Chief Ministers. The Financial Commissioner (Railways) submitted before the Committee that they have mooted a Cabinet note to adjust the outstanding against the Badarpur Thermal Power Corporation, against the deferred dividend liability of Railways as it is a Central Power Utility and does not belong to a State.

The Committee are concerned about the substantial outstanding of the Ministry of Railways and are satisfied with the serious approach of the Ministry to obtain these valuable resources from various SEBs/PHs. However, despite these efforts, the realization of the outstandings are meagre. The Committee realize that the measures adopted are at sufficiently high levels. They would advice the Ministry to pursue the matter further with the concerned Chief Minister/Ministry of Finance and Ministry of Power effectively and promptly, so as to secure their dues at the earliest.

In regard to the BTPS the Committee are in agreement with the proposal mooted in the Cabinet note put forward by the Financial Commissioner (Railways) and wish that the decision therein be expedited and the Committee be informed of the outcome.

JOINT VENTURE WITH NTPC

228. The Committee note that the Ministry of Railways have signed a Memorandum of Understanding with NTPC for the setting up of a captive Thermal Power Plant and the project committee had selected Nabinagar for setting up a 1000 MW Thermal Plant which would take 3-4 years for its commissioning. A Joint Venture Company in which Railways will have 51% equity is likely to be formed during 2003-04 for implementation of the scheme. Railways shall exclusively use the electricity generated through this Joint Venture Captive Power Plant. They find that the expected cost of production of this project would be Rs. 2.60 per unit as against Rs. 4.30 per unit provided by State Electricity Boards at present. The Committee are of the opinion that this would give tremendous benefit to the Railways in monetary terms. While appreciating the move, the Committee emphasize that the Railways should explore for setting up of more such projects in other parts of the country as well.

NEW DELHI;
8 April, 2003

18 Chaitra, 1925 (Saka)

K. YERRANNAIDU,
Chairman,
Standing Committee on Railways.

MINUTES OF THE FOURTH SITTING OF STANDING
COMMITTEE ON RAILWAYS (2003)

The Committee sat on Wednesday, the 5th March, 2003 from 1530 hours to 1615 hours in Committee Room 'E', Parliament House Annex, New Delhi.

PRESENT

Shri K. Yerrannaidu — *Chairman*

MEMBERS

Lok Sabha

2. Dr. (Smt.) Anita Arya
3. Shri Ramdas Athawale
4. Shri Priya Ranjan Dasmunsi
5. Shri Anant Gudhe
6. Shri Madan Prasad Jaiswal
7. Smt. Abha Mahato
8. Shri Laxmanrao Patil
9. Shri Sohan Potai
10. Dr. Jayanta Rongpi
11. Shri Prabhat Samantaray
12. Shri Shashi Kumar
13. Shri Rajo Singh
14. Smt. Sangeeta Kumari Singh Deo
15. Shri Suresh Chandel

Rajya Sabha

16. Shri Karnendu Bhattacharjee
17. Shri Abhay Kant Prasad
18. Shri Surendra Lath
19. Shri Tarini Kanta Roy
20. Shri N. Jothi
21. Shri Abani Roy
22. Shri Harendra Singh Malik
23. Shri Bashistha Narain Singh

SECRETARIAT

1. Shri V.S. Negi — *Deputy Secretary*
2. Smt. Abha Singh Yaduvanshi — *Assistant Director*

2. At the outset, the Chairman, welcomed the two new Members, Smt. Sangeeta Kumari Singh Deo, MP and Shri Surendra Lath, MP who have been nominated to the Committee. He then informed the Committee about the tentative programme fixed for examination of Demands for Grants of the Ministry of Railways for the year 2003-04.

3. The Committee then decided to call the representatives of the Ministry of Railways (Railway Board) on 24th March, 2nd and 3rd April, 2003 (full days) to tender oral evidence in connection with the examination of Demands for Grants. The Committee also finalised the List of Points with regard to the examination of the Demands for Grants.

4. Thereafter, the Chairman sought further suggestions from the Members on the subject. On the suggestions from several Members, the Committee decided that each Member of the Committee may propose one work relating to Railways which may fall within the powers of the Ministry and which could be carried out during the current Budget year. The Committee proposed that this matter might be pursued through the Chairman's office after the proposals have been received from the Members later on.

The Committee then adjourned.

MINUTES OF THE FIFTH & SIXTH SITTINGS OF STANDING
COMMITTEE ON RAILWAYS (2003)

The Committee sat on Monday, the 24th March, 2003 from 1100 hours to 1330 hours and 1430 hours to 1615 hours in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri K. Yerranna — *Chairman*

MEMBERS

Lok Sabha

2. Dr. (Smt.) Anita Arya
3. Shri Ramdas Athawale
4. Smt. Santosh Chowdhary
5. Shri Manik Rao Hodlya Gavit
6. Shri Anant Gudhe
7. Dr. Madan Prasad Jaiswal
8. Shri Muni Lall
9. Shri Salkhan Murmu
10. Smt. Ranee Narah
11. Shri Laxmanrao Patil
12. Shri Sohan Potai
13. Shri G. Ganga Reddy
14. Shri Prabhat Samantaray
15. Shri Shashi Kumar
16. Shri Bahadur Singh
17. Shri Rajo Singh
18. Shri Bhupendra Singh Solanki
19. Shri Suresh Chandel

Rajya Sabha

20. Shri Karnendu Bhattacharjee
21. Shri Raju Parmar
22. Dr. A.K. Patel
23. Shri Abhay Kant Prasad
24. Shri Surendra Lath
25. Shri Tarini Kanta Roy
26. Shri N. Jothi
27. Dr. Arun Kumar Sarma
28. Shri Abani Roy
29. Shri Harendra Singh Malik
30. Shri Bashistha Narain Singh

SECRETARIAT

1. Shri John Joseph — *Additional Secretary*
2. Shri V.S. Negi — *Deputy Secretary*
3. Smt. Abha Singh Yaduvanshi — *Assistant Director*

Representatives of the Ministry of Railways (Railway Board)

1. Shri I.I.M.S. Rana, Chairman, Railway Board & Ex-officio Principal Secretary to the Govt. of India.
2. Smt. V. Viswanathan, Financial Commissioner Railways & ex-officio Secretary to the Govt. of India.
3. Shri S.C. Gupta, Member Electrical & Ex-officio Secretary to the Govt. of India.
4. Shri S. Dhasarathy, Member Mechanical & Ex-officio Secretary to the Govt. of India.
5. Shri B.S. Sudhir Chandra, Member Staff & Ex-officio Secretary to the Govt. of India.
6. Shri Kanwarjit Singh, Member Engg. & Ex-officio Secretary to the Govt., of India.
7. Shri K.K. Gupta, Additional Member (Traffic)

2. At the outset, the Chairman welcomed the representatives of the Ministry of Railways to the sitting of the Committee.

3. Thereafter, the Committee took evidence of the representatives of the Ministry of Railways on Demands for Grants (2003-04) touching upon various aspects on Railway Budget. The representatives of the Ministry of Railways replied to the points raised by the Members of the Committee and assured to send written replies to the points on which information was not readily available. The evidence remained inconclusive.

4. The Committee decided to take further evidence in this regard on Friday, the 28th March, 2003.

5. It was also decided to consider the Draft Report on DFG 2003-04 for adoption on 3rd April, 2003.

6. The verbatim record of the proceeding has been kept.

The Committee then adjourned.

MINUTES OF THE SEVENTH & EIGHTH SITTINGS OF
STANDING COMMITTEE ON RAILWAYS (2003)

The Committee sat on Friday, the 28th March, 2003 from 1100 hours to 1330 hours and 1430 hours to 1700 hours in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Shri K. Yerranna — *Chairman*

MEMBERS

Lok Sabha

2. Dr. (Smt.) Anita Arya
3. Shri Ramdas Athawale
4. Shri M. Chinnasamy
5. Smt. Santosh Chowdhary
6. Shri Priya Ranjan Dasmunsi
7. Shri Anant Gudhe
8. Shri Muni Lall
9. Smt. Abha Mahato
10. Shri Salkhan Murmu
11. Shri Jaibhan Singh Pawaiya
12. Shri Prabhat Samantaray
13. Shri Shashi Kumar
14. Shri Bahadur Singh
15. Shri Rajo Singh

Rajya Sabha

16. Shri Karnendu Bhattacharjee
17. Shri Raju Parmar
18. Dr. A.K. Patel
19. Shri Abhay Kant Prasad
20. Shri N. Jothi
21. Shri Harendra Singh Malik

SECRETARIAT

1. Shri V.S. Negi — *Deputy Secretary*
2. Smt. Abha Singh Yaduvanshi — *Assistant Director*

Representatives of the Ministry of Railways (Railway Board)

1. Shri I.I.M.S. Rana, Chairman, Railway Board & Ex-officio Principal Secretary to the Govt. of India.
2. Smt. V. Viswanathan, Financial Commissioner Railways & ex-officio Secretary to the Govt. of India.
3. Shri K.K. Agarwal, Member Traffic & Ex-officio Secretary to the Govt. of India.
4. Shri S. Dhasarathy, Member Mechanical & Ex-officio Secretary to the Govt. of India.
5. Shri B.S. Sudhir Chandra, Member Staff & Ex-officio Secretary to the Govt. of India.
6. Shri O.P. Agarwal, Additional Member (Works).
7. Shri R.C. Sharma, Additional Member (Tele.)

2. At the outset, the Chairman welcomed the representatives of the Ministry of Railways to the sitting of the Committee.

3. Thereafter, the Committee took further evidence of the representatives of the Ministry of Railways on Demands for Grants 2003-04 on the remaining aspects, which could not be discussed on 24.03.2003.

4. The Committee decided to discuss subjects relating to Passenger Amenities, Recruitment Policy, Land Management, Safety and Security and Projects regarding New Lines and Gauge Conversion etc. separately later on. They also decided to call the representatives of RDSO and Konkan Railways at the time of examination of Safety and Security to discuss Anti Collision Device (ACD).

5. The verbatim record of the proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE NINTH SITTING OF STANDING
COMMITTEE ON RAILWAYS (2003)

The Committee sat on Thursday, the 3rd April, 2003 from 1100 hours to 1300 hours in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri K. Yerrannaidu — *Chairman*

MEMBERS

Lok Sabha

2. Dr. (Smt.) Anita Arya
3. Shri M. Chinnasamy
4. Smt. Santosh Chowdhary
5. Shri Priya Ranjan Dasmunsi
6. Shri Manik Rao Hodlya Gavit
7. Shri Anant Gudhe
8. Shri Moinul Hassan
9. Shri Muni Lall
10. Smt. Abha Mahato
11. Shri Salkhan Murmu
12. Shri Laxmanrao Patil
13. Shri Prabhat Samantaray
14. Dr. Nitish Sengupta
15. Shri Shashi Kumar
16. Shri Bahadur Singh
17. Shri Rajo Singh
18. Smt. Sangeeta Kumari Singh Deo
19. Shri Suresh Chandel

Rajya Sabha

20. Maulana Obaidullah Khan Azmi
21. Dr. A.K. Patel
22. Shri Abhay Kant Prasad
23. Shri Surendra Lath
24. Shri N. Jothi
25. Dr. Arun Kumar Sarma
26. Shri Harendra Singh Malik
27. Shri Bashistha Narain Singh

SECRETARIAT

1. Shri Rajagopalan Nair — *Joint Secretary*
2. Shri V.S. Negi — *Deputy Secretary*
3. Smt. Abha Singh Yaduvanshi — *Assistant Director*

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. Thereafter, the Committee considered the Draft Report on Demands for Grants 2003-04. Further suggestions/recommendations were invited from the Members on the subject. The Committee, then decided that the suggestions/recommendations of the Members, may be included in the Draft Report before it is considered for adoption in their next sitting to be held on 8th April, 2003.

3. It was also decided to call the representatives of the Ministry of Railways again for visual presentation on the Howrah-New Delhi Rajdhani Express accident which occurred on 9th September, 2002 near Rafiganj Railway Station in Bihar, after the examination of Demands for Grants 2003-04.

The Committee then adjourned.

MINUTES OF THE TENTH SITTING OF STANDING
COMMITTEE ON RAILWAYS (2003)

The Committee sat on Tuesday, the 8th April, 2003 from 1530 hours to 1700 hours in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri K. Yerranna — *Chairman*

MEMBERS

Lok Sabha

2. Shri Ramdas Athawale
3. Smt. Santosh Chowdhary
4. Dr. Madan Prasad Jaiswal
5. Shri Laxmanrao Patil
6. Shri Sohan Potai
7. Shri Prabhat Samantaray
8. Dr. Nitish Sengupta
9. Shri Rajo Singh
10. Shri Bhupendra Singh Solanki

Rajya Sabha

11. Shri Raju Parmar
12. Dr. A.K. patel
13. Shri Abhay Kant Prasad
14. Shri Tarini Kanta Roy
15. Dr. Arun Kumar Sarma
16. Shri Abani Roy
17. Shri Harendra Singh Malik
18. Shri Bashistha Narain Singh

SECRETARIAT

1. Shri V.S. Negi — *Deputy Secretary*
2. Smt. Abha Singh Yaduvanshi — *Assistant Director*

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. Thereafter, the Committee considered and adopted the Draft Report on Demands for Grants 2003-04 of the Ministry of Railways with slight additions as indicated in Annexure.

3. *** *** *** ***

4. The Committee also authorised the Chairman to present the Report in Lok Sabha and lay the same in Rajya Sabha after making consequential changes, if any, arising out of factual verification by the Ministry of Railways.

The Committee then adjourned.

ANNEXURE

ADDITIONS MADE BY THE STANDING COMMITTEE ON
RAILWAYS ON DRAFT REPORT ON DEMANDS FOR
GRANTS (2003-04) OF THE MINISTRY OF RAILWAYS

Sl. No.	Page No.	Para No.	Line	Additions
1	2	3	4	5
1	78	204	4	Add— “The Committee desire that the same may be reviewed at the earliest in the light of Railway Board letter No. TCR/1015/96/14/Vol.-II dated 14.01.2002 <i>w.e.f.</i> 15.02.2002.”
2.	83	215	5	Add— “The Committee strongly recommend opening up PRS Centres at non-rail heads District Head Quarters where District Administration provides free accommodation to the Railways.”
3.	84	217	14	Add— “with immediate effect”
4.	86	220	4	Add sub-para— “Many a occasion, the Members of the Committee raised serious lapses of the Railways’ working in their meetings, which Railway Board fail to comply till the finalisation of the

1	2	3	4	5
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Report. Even to the extent that the queries required to be complied by Railway Board has not come forthwith. The Committee express their concern with the attitude of the officials and disapprove of this evasive attitude of the Railway Board.
