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**STANDING COMMITTEE ON RAILWAYS
(2004-05)**

FOURTEENTH LOK SABHA

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

**[Action taken by the Government on the recommendations/ observations
contained in the 1st Report of the Standing Committee on Railways on
Demands for Grants 2004-05 of the Ministry of Railways]**

SEVENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

February, 2005/Phalguna, 1926 (Saka)

SCR No. 86

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*Presented to Lok Sabha on 02.03.2005
Laid in Rajya Sabha on 01.03.2005*



**LOK SABHA SECRETARIAT
NEW DELHI**

February, 2005/Phalguna, 1926 (Saka)

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COMPOSITION

STANDING COMMITTEE ON RAILWAY (2004-05)

Shri Basudeb Acharia - **Chairman**

MEMBERS **LOK SABHA**

2. Shri A.Sai Prathap
3. Shri Dhirendra Agarwal
4. Shri Atique Ahamad
5. Shri Ajaya Kumar
6. Shri Subrata Bose
7. Shri Bapu Hari Chaure
8. Shri Kishan Lal Diler
9. Shri Giridhar Gamang
10. Shri Pradeep Gandhi
11. Smt. Paramjit Kaur Gulshan
12. Shri Anwar Hussain
13. Shri Mahesh Kanodia
14. Shri C. Kuppusami
15. Smt. Kalpana R. Narhire
16. Shri Rajendrasinh Rana
17. Shri Kishan Singh Sangwan
18. Shri Iqbal Ahmed Saradgi
19. Dr. Arun Kumar Sarma
20. Ch. Lal Singh
21. Mohd. Tahir

RAJYA SABHA

22. Smt. Kamla Manhar
23. Shri Karnendu Bhatttcharjee
24. Maulana Obaidullah Khan Azmi
25. Shri Lalit Kishore Chaturvedi
26. Shri Su. Thirunavukkarasar
27. Shri Tarini Kanta Roy
28. Shri R. Kamraj
29. Shri Isam Singh
30. Shri Harendra Singh Malik
31. Shri Abani Roy

LOK SABHA SECRETARIAT

1. Shri P.D.T. Achary - Secretary
 2. Dr.(Smt.) P.K. Sandhu - Joint Secretary
 3. Shri V.S. Negi - Deputy Secretary
 4. Smt Abha Singh Yaduvanshi - Under Secretary
 5. Smt Archana Srivastava - Sr. Executive Assistant
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INTRODUCTION

I, the Chairman of the Standing Committee on Railways (2004-05), having been authorized by the Committee to present the Report on their behalf, present this Seventh Report of the Committee on Action Taken by the Government on the Recommendations/Observations contained in the First Report of the Standing Committee on Railways (2004-05) on 'Demands for Grants 2004-05' of the Ministry of Railways.

2. The First Report was presented to Lok Sabha on 19.08.2004 and it contained 9 recommendations/observations. The Ministry of Railways have furnished their Action Taken Replies on all the recommendations/observations on 06.12.2004.

3. The Standing Committee on Railways (2004-05) considered the Action Taken Report and adopted the same at their sitting held on 17.02.2005.

4. An analysis of the action taken by the Government on the recommendations/observations contained in the First Report of the Standing Committee on Railways (2004-05) Fourteenth Lok Sabha is given in Appendix-II.

NEW DELHI;
February, 2005
Phalgun, 1926 Saka

BASUDEB ACHARIA
Chairman,
Standing Committee on Railways

CHAPTER I

REPORT

This Report of the Committee deals with the Action Taken by the Government on the recommendations/observations contained in the First Report of the Standing Committee on Railways (2004) on 'Demands for Grants (2004-05) of the Ministry of Railways' which was presented in Lok Sabha on 19.08.2004.

1.2 Action Taken Notes have been received from the Government in respect of all the 9 recommendations/observations contained in the Report. These have been broadly categorized as follows:-

- (i) Recommendations/Observations which have been accepted by the Government – Para Nos. 142, 143, 144, 145, 146, 147 and 148.
- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies – Para Nos.140, 141.
- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee – Nil.
- (iv) Recommendations/Observations in respect of which final replies are still awaited – Nil.

1.3 The Committee will now deal with the Action Taken by Government on some of their Recommendations/Observations.

RAKE MANAGEMENT & AVAILABILITY **(Para No. 144)**

1.4 The Committee in the above paragraph had observed that due to mismanagement and non-availability of rakes, freight traffic of Railways was affected to a significant extent. They found that on a number of occasions due to non-availability/uncertainty in availability of rakes, the customers deviate to road sector. At the same time, the Railways lose much needed freight earning by non utilization of capacity by keeping the rakes unused. The Committee had also felt that this leads to not only immediate loss of business to Railways but also loss of

faith and dependability on Railways. They had desired that there should be optimum utilization of capacity and proper management in allotment of rakes. The Committee had emphasized that Railways should not only stress proper management of rakes but also maintain complete transparency in their allotment. The availability status and list of allotment of rakes should be published in local daily newspapers, displayed at the stations and through websites. They had also urged that in case of non availability of rakes the likely time of the availability be made known to the customers.

1.5 In their Action Taken Reply, the Ministry of Railways have stated:-

“While there have been occasional instances of shortage of railway rakes to customers, this has not been due to any mismanagement. There is a regular system of ensuring balancing of rolling stock including empty railway rakes from railways having surplus to railway requiring stock. Shortage of railway rakes has been felt in the recent years, primarily, due to sudden spurt of demand in a particular segment of economy, like export iron ore, export foodgrain, coal for power houses, FCI foodgrain for PDS due to drought in some States, etc. At times, rakes have not been supplied to the railway customers for loading due to problems of transit/destination terminals like controlled loading for N.E. Region due to infrastructural constraints of the region or limited loading for Bangladesh Railways due to inability of the Bangladesh to accept traffic freely. However, even in these situations, all possible efforts are made to ensure optimization of freight earning and capacity utilization. For improving availability of rakes, Indian Railways have taken various steps like capacity enhancement works, de-congestion of busy terminals, improving turn around of wagons by better terminal management, etc. Introduction of Freight Operating Information System (FOIS) has provided considerable help to the Indian Railways in optimizing wagon utilization.

Indian Railways maintain complete transparency in the allotment of rakes. The system of allotment of railway rakes is governed by the provisions of Preferential Traffic Schedule of Indian Railways. Transparency of the system will further improve after computerization of rake allotment procedure will get implemented in

the Phase-II of Freight Operating Information System (FOIS) and Terminal Monitoring System (TMS) will become operational.

Allotment of rakes is normally done one day before the date of loading, primarily, because of availability of stock for loading of freight traffic cannot be accurately assessed much in advance due to variables involved – uncertain availability of railway rakes at terminals, dislocations in rail movements, requirements of stock for loading of other priority items, delay in loading and unloading of rakes, restrictions due to route congestion, congestion at terminals, etc. Therefore, it is not feasible to publish allotment of rakes in newspapers. Displaying allotment of rakes at Divisional Headquarters will not serve any purpose as regular interface of freight customers with railways is not at the Divisional Headquarters but at the concerned railway goods sheds/stations. Zonal Railways have already been advised to ensure display of rake allotment at the goods sheds/stations.

1.6 The Committee had found that due to mismanagement and non-availability of rakes, Railway's freight traffic has suffered significantly thereby resulting in loss of much needed freight earnings. They had, therefore, desired that the Railways should properly manage, optimally utilize the capacity and maintain transparency in allotment of rakes. The availability status of rakes should be published in local daily newspapers and displayed at the stations and through websites. From the action taken replies of the Ministry, the Committee find that the Railways have taken various initiatives such as capacity enhancement work, decongestion of busy terminals, improving turn around of wagons by better terminal management, introduction of Freight Operating Information System (FOIS) etc. for improving availability of rakes and optimise wagon utilization. As per the Ministry the transparency in the system will further improve after computerization of rake allotment procedure is implemented in phase-II of FOIS and Terminal Management System (TMS) becomes operational. The Committee would like to be apprised of further action taken by Railways in this direction.

Though the Committee are aware of the difficulties mentioned by the Ministry of Railways in their action taken reply with regard to publishing the availability status and list of allotment of rakes in local daily newspapers, yet they emphasise upon the display of information at stations and through their website. They do not agree with the contention of the Railways that displaying allotment of rakes at Divisional Headquarters will not serve any purpose as regular interface of freight customers with railways is not at the Divisional Headquarters but at the concerned railway goods sheds/stations. The Committee stress that though the regular interface of freight customers is with the concerned railway goods sheds/stations, yet the information about allotment, likely time of the availability of rakes should also be made available at the Divisional Headquarters so that the customers could plan for future accordingly.

SLEEPER PROCUREMENT
(Para No. 146)

1.7 The Committee had in the aforesaid paragraph noted that the Railways were having huge indent of concrete sleepers due to track renewal and gauge conversion works on large scale during the last three years. The Ministry had informed the Committee that open tenders was invited for manufacture and supply of 160 lakhs BG PSC line sleepers to cover the requirement of 2 years (2003-05) of the Zonal Railways. The Ministry had also stated that 95 offers (71 from existing sleeper manufacturers and 24 from new firms) for open tender were received and finally 75 existing sleeper plants were awarded orders to supply the required sleepers. However, the Ministry had admitted that no orders were awarded to new firms.

1.8 The Committee had noted that the procurement of concrete sleepers became a very sensitive matter because a lot of unscrupulous existing manufacturers had formed a cartel to secure orders by unfair means or tempering with procedure and simultaneously keeping the new competitors out of the race. They further observed that the Railways had to transport the sleepers themselves without transport cost/charge from the manufacturers and consequentially suffered losses. The Committee were constrained to notice that there exists a regional imbalance in the setting up of concrete sleeper manufacturing units. They had also expressed their unhappiness that new entrants were not encouraged, which ultimately strengthen the cartel of old/existing manufacturers. The Committee, in view of the above had recommended that the procedure of procurement of concrete sleepers be streamlined and made foolproof and transparent. The existing regional imbalance may also be fairly addressed to forthwith. They further observed that the Railways had to transport sleepers from one zone to another distant zone thereby incurring large transportation charges resulting into heavy losses to the Railways. The Committee had desired that the losses incurred on this account should be enquired into by an independent agency.

1.9 In their Action Taken Reply, the Ministry of Railways have stated:-

- “(A) The procedure for procurement of concrete sleepers is under review by the Board.
- (B) To address the problem of regional imbalances, proposal for opening new plants in Zonal Railways having deficiency in production vis-à-vis requirement is under consideration of the Railway Board.
- (C) Inter-railway transportation of sleepers is inevitable for the following reasons:
- (i) Failure of some plants to produce sleepers as targeted.
 - (ii) Change in priorities of projects, and therefore, requirement of sleepers in various zones.
 - (iii) Suspension of production at the instance of Railway on quality considerations or for any other reason (e.g. CSP/Rewari and CSP Kosikalan of Northern Railway).
 - (iv) Reorganisation of zones leading to deficiency in production vis-à-vis requirement in some zones & excess in others.
 - (v) Change in need of Railways for local reasons for out of turn works etc.

Railway Board decides inter-railway diversion without specifying plants. Zonal Railway are supposed to decide the same so as to optimize the transportation needs & costs.

The matter has been taken up CBI for investigation. Views of “Standing Committee” have been communicated to CBI with a request to look into the matter with reference to Standing Committee’s observations”.

1.10 The Committee while expressing their unhappiness over the procedure being followed by the Railways in procurement of concrete sleepers whereby allowing unscrupulous existing manufacturers to form a cartel to secure orders by unfair means or by tempering the procedure thus keeping the new competitors out of the race, had recommended that this procedure should be streamlined, made foolproof and transparent. They had also recommended that existing regional imbalances in setting up of

concrete sleeper manufacturing units be taken care of as huge transportation charges were incurred by Railways in transportation of sleepers from one Zone to another resulting in heavy loss to the Railways. In this context, the Committee had desired that an enquiry be made by an independent agency. The Committee notice from the action taken reply furnished by the Railways that the procedure for procurement of concrete sleepers is under review by the Board. Similarly to address the problem of regional imbalances, proposal for opening new plants in Zonal Railways having deficiency in production vis-à-vis requirement is under consideration of the Board. As regards the matter relating to losses suffered by Railways due to transportation charges of concrete sleepers, same has been handed over to CBI for investigation. The Committee desire that the enquiry report of the CBI and the new guidelines finalized for procurement of sleepers and decision taken for opening of new plants in Zonal Railways having deficiency in production be placed before the Committee as and when received/reviewed.

ROAD OVER/UNDER BRIDGES AND LEVEL CROSSINGS

(Para No. 147)

1.11 The Committee were dismayed over the fact that during the preceding years the allocations under road safety works i.e. construction of road over/under bridges and manning of unmanned level crossings remained grossly underutilized. The Railways had utilized approximately Rs. 149 crore out of Rs. 325 crore allocated for ROBs/RUBs during the year 2002-03. Similarly, the allocation under the same Head had been revised downwards to Rs. 80.03 crore from Rs. 313 crore during 2003-04. Elaborating the reasons for slow progress of the works under this Head, the Ministry had submitted before the Committee that construction of ROBs/RUBs was a joint work of Railways and State Governments and the latter were not fulfilling their commitment for construction of approach works. The Committee had desired that the matter may be pursued vigorously at the highest level with the State Governments. In view of the fact that many of the State Governments were facing financial crunch, the Committee had desired that

Railways should consider utilizing amount accrued from diesel cess for construction of approach works.

1.12 In their Action Taken Reply, the Ministry of Railways have stated:-

“Railways construct Road Over/Under bridges on cost sharing basis with concerned road authorities in lieu of existing busy level crossings where the traffic density exceeds one lakh Train Vehicle Unit (TVU – A unit obtained by multiplying the number of trains with the number of road vehicles passing over the level crossing in 24 hours). The road authorities have to undertake to close the level crossing on completion of the Road Over/Under bridges. In such cases, where the traffic density is less than one lac TV units the ROB/RUB can be built on deposit terms if the road authority so desires. Proposals in both cases have to be sponsored by the State Government concerned duly fulfilling certain preliminary pre-requisites required under extant rules. Railways construct bridge proper over the tracks and approaches are constructed by the State Government and total expenditure on ROB/RUB is shared by Railway and State Govt in 50:50 proportion. Following the above criteria, at present there are 433 works of ROB/RUBs sanctioned by Railways on cost sharing basis which are estimated to cost a total of approx. Rs. 5000 crore out of which Railways’ share of cost will be about Rs. 2500 crores. Funds to meet this expenditure are received by the Railways from Central Road Fund (CRF), a fund collected by Central Govt. by imposing cess on sale of diesel and petrol. Out of this, Railways’ share is credited to Railway Safety Fund (RSF) which is used to meet the expenditure on its 50% share of the cost of ROB/RUB as per rules in vogue and also Safety Works at level crossings. Safety Works at Level Crossings are also important safety items like manning of unmanned level crossings, providing standard infrastructure at level crossings & inter locking of level crossing gates. Further there are 1252 level crossings having traffic density of more than one lakh TVUs. I.e. qualifying for replacement by ROB/RUBs on cost sharing basis but not sanctioned so far. These are required to be taken up for replacement by

road over/under bridges in near future. These works are estimated to cost a further of Rs. 15000 crores out of which Railway's share is expected to be about Rs. 7500 cr on the basis of present cost sharing pattern. Moreover, Railways liability has further increased with the recent decision of the Ministry of Railways to assume enhanced responsibility in construction of ROBs/RUBs where traffic density is very high. This would provide greater relief to road users. These areas include

- (i) Sharing of cost for four lanes ROB/RUBs where minimum TVUs at level crossings are 3 lakh comprising not less than 6000 road vehicle units and concerned Road Authorities agree for four laning of approach portion.
- (ii) Sharing cost of widening of existing 2 lane ROB/RUBs to 4 lane ROB/RUBs provided TVUs are not less than 5 lakh comprising not less than 10,000 road vehicle units. In addition an incremental increase of 2 lakh TVUs comprising 4000 road vehicle units should have taken place after construction of two lane ROB/RUB.

These initiative shall further strain the Railways financial position. However, Railways are making their best efforts to complete their portion of work before or simultaneously with the work of approaches being done by the State Govt. concerned. However, State Govts. have been found wanting in counterpart support in completing their portion of works due to various reasons, mainly resource crunch. This issue has been raised by this Ministry at the highest levels. Successive Ministers for Railways have written to the Chief Ministers of States on 19.6.2001 and 17/21.7.03 Member Engineering has again written to the Chief Secretaries of the State Govts on 20.12.2002 and 2.4.2004 alongwith the request to sponsor proposals for replacement of all the busy level crossings falling in their States. General Managers of Zonal Railways have also been holding regular meetings with the Chief Secretaries of State Govts. However, these efforts have not borne desired fruits as the State Govts. have not been meeting their liabilities of share of cost out of the contribution received by them also out of the Central Road Fund. To provide relief to State Govts. Ministry of Railways have already decided to share cost of ROBs as per

existing cost sharing pattern even in cases where State Govt. may raise their share through commercial means i.e. levy of toll tax or commercial utilization of space under ROBs outside Railway land. Railway is not asking for any share in the funds so generated.

Regarding the other suggestion that Ministry of Railways bear the entire cost of work of Road Over/Under Bridges out of its share of the Central Road Fund the following is submitted:

1. Railways already has a huge liability towards its 50% share of cost (as per existing pattern of cost-sharing) for 433 sanctioned Road over/under bridges. this liability alone is approx. Rs. 2500 crore.

2. There are already over 1252 level crossings where traffic density is more than 1 lakh and Road over/under bridge need to be sanctioned on cost sharing basis at the earliest. Railways' liability towards its 50% share of cost as per existing pattern of cost sharing for these bridge would be around Rs. 7500 cr.

Therefore, to complete the above Railways alone would require Rs. 10,000 crores to meet its share of 50% cost as per existing cost sharing pattern. Even to meet Railways 50% share the allocations to Railways need to be augmented. In view of this Railways are at present not in a position to take up the work of construction of approaches of ROBs/RUBs through their share of CRF.

However, in case Railways has to meet the entire cost of ROB/RUB, following would be required:

- (i) Railways share of Diesel and Petrol Cess will need to be further increased to a suitable level, consistent with actual funding requirements. If the yearly contribution from the Diesel and Petrol Cess to the Ministry of Railways for construction of Road Over/Under bridges is increased from

present level of Rs. 400 crore per annum (Approx) to Rs. 800 to Rs.900 crore per annum then perhaps suggestion for Railways to fund the entire cost of ROB and take up the construction as a single agency for expeditious completion of works can be considered; and

(ii) Ministry of Railways may be exempted from paying towards the Diesel-Petrol Cess and instead utilize the same towards construction of Road over/under bridges.”

1.13 The Committee were informed that the expenditure on construction of Road Over Bridges/Road Under Bridges (ROBs/RUBs) is jointly shared by Railways and the State Governments in 50:50 proportion. However, the State Governments have not been able to discharge their 50% share for construction of approach works due to financial crunch being faced by them. The Committee, therefore, had desired that the Railways should bear the entire cost of work of ROBs/RUBs out of its share of the Central Road Fund. In their action taken reply the Ministry have expressed their inability to bear the entire cost as they are already carrying a huge liability towards its own 50% share of Rs. 2500 crore in respect of already sanctioned 433 works of ROBs/RUBs. Further, there are 1252 level crossings for replacement by ROBs/RUBs on cost sharing basis to be taken up in near future at an estimated cost of Rs.15,000 crore out of which Railways share is expected to be about Rs.7500 crore. However, the Railways have offered to meet the entire cost of ROBs/RUBs solely by them with the pre requisite that their share of Diesel and Petrol cess be increased to a suitable level, consistent with actual funding requirements, i.e. yearly contribution from diesel and petrol cess to the Railways is enhanced from the present level of Rs. 400 crore to Rs. 800-900 crore and by making the Railways a single agency for completion of works. Secondly, the Railways be exempted from paying towards the Diesel-Petrol cess and instead be allowed to utilize the same towards construction of ROBs/RUBs. The Committee note that although it will be strenuous on the financial health of the Railways if they bear the entire cost of work of ROBs/RUBs as their own share involved is

huge. However, they desire that the conditions as enumerated above by the Railways be placed before the Planning Commission and the Ministry of Finance for their consideration at the earliest so that the construction work of ROBs/RUBs could be taken up by the Ministry of Railways solely/independently and completed expeditiously.

SAFETY
(Para No. 148)

1.14 The Committee in the above paragraph had observed that Railways had taken several initiatives and adopted some measure for safety enhancement such as 'electronic verification by means of Block Proving by Axle Counters, Train Protection & Warning System (TPWS) and Central Traffic Control System. TPWS provides an aid to the driver to prevent him from passing signals at danger as a Safety measures and if he passes it unnoticed this system will apply brake automatically. They had found that TPWS system is being provided on Southern and North Central Railways on approximately 280 track Kms. They had also found that CTC system is planned to be introduced for the first time on Ghaziabad-Kanpur high density speed route to improve safety & operation.

1.15 The Committee while appreciating the emphasis and focus of Railways towards the safety in terms of introducing new initiatives were convinced that these initiatives would go a long way in enhancing safety on Indian Railways. They had emphasized that feasibility study be conducted on all sections of Indian Railways for the introduction of Centralised Traffic Control System and TPWS to enhance safety and operations. They had desired that the initiatives taken by Railways in regard to safety be implemented and brought in vogue at the earliest.

1.16 In their Action Taken Reply, the Ministry of Railways have stated:-

“Sufficient initiatives have already been taken in introducing Block Proving by Axle Counters (BPAC). BPAC works are in progress at about 1300 block sections. The sanctioned works of BPAC, Train Protection and Warning System (TPWS) and Central Traffic Control (CTC) are targeted for completion by 2007-08 subject to availability of funds.

All Railways have been advised to assess the need and to carry out feasibility studies for the introduction of TPWS and CTC to enhance safety in train operation.”

1.17 The Committee while appreciating the initiatives being taken by the Railways to introduce new techniques for safety in Railways had desired that a feasibility study be conducted on all the sections of Indian Railways for implementation of Centralised Traffic Control System and TPWS to enhance safety and for efficient operations. They note that the Ministry have directed all the Railways to carry out feasibility studies for the introduction of TPWS and CTC in their respective Zones. They desire that the status of the feasibility studies carried out by Zonal Railways be intimated to them.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

PASSENGER AMENITIES (Para No. 142)

Passenger amenities are the fundamental responsibility of Railways towards the commuters. Ironically, the Committee had found that most of the complaints of the passengers were with regard to absence or inadequate basic facilities like drinking water, toilets, lights, cleanliness etc. being available at the stations and in the trains. The Committee were given to understand that the Railways had identified certain basic amenities known as 'Minimum Essential Amenities' (MEA) and varying scale of amenities had been laid down for various categories of stations based on passenger traffic at stations and annual earnings there from.

The Committee had noticed that over a period of time there had been a drastic change in the general awareness among the passengers with the result that they expect visible, qualitative and effective improvement on every item of public utility that they were paying for. Although the year 2003-04 was declared as 'Customer Satisfaction Year', yet no tangible change had been noticed at the stations as well as in the trains so far as amenities were concerned. The Committee had found that the Railways had undertaken a review of these amenities way back in 1995. They were of the considered view that on account of the changed scenario as well as ever increasing awareness and expectations among the passengers, there was a dire need to review those types of amenities which can be provided at different categories of stations. They had desired that this exercise should be taken up at the earliest. At the same time the basic facilities should be made available at all the stations in a time bound manner.

The Committee were of the view that the passenger amenities could not be implemented as per the expectations of the general public till the allocation under the head be suitably enhanced and the works be completed expeditiously almost on a war footing. The Committee had therefore, urged upon the Ministry

to take concrete steps in this direction and ensure completion of the existing/pending works on priority besides allocating sufficient outlay for meeting the just demands of the public.

Reply of the Government

As observed by the Committee, there has indeed been a sea change in the attitude of the people over the years. In view of the increased expectations of the passengers/daily commuters, Indian Railways are making all out efforts to provide various facilities at the stations.

Indian Railways has more than 8000 stations. It has always been the endeavor of the Railways to provide adequate amenities to the passengers at the stations. Certain amenities are provided at the time of construction of new stations based on anticipated traffic. Amenities are further augmented from time to time based on the needs and expectations of the traveling public and the availability of funds.

Regarding Committee's observations that norms for Minimum Essential Amenities were laid on 1995 and require review in view of changed scenario, it is informed that keeping in view the continuously changing needs and expectations of the commuters, Railways have revised the norms for Minimum Essential Amenities in 1999 and thereafter again in 2003.

While Committee's concern is noted for taking remedial action, it is Railways endeavor to complete the Passenger Amenities work in a time bound manner. The same are also completed except save few exceptions which are mostly due to contractual failures. Railway also take necessary remedial action to avoid inconvenience to the passengers.

Regarding the funds, it is brought out that adequate funds are provided keeping in view the requirements projected by the Zonal Railways and the actual progress of works. For example, in the year 2003-04, the expenditure under

Plan Head 'Passenger Amenities' was Rs. 181 crore and against this, Rs. 215 crore have been allotted during 2004-05.

PLANNED INVESTMENT THROUGH INTERNAL GENERATION
(Para No. 143)

The Committee had noted that over the recent years the share of planned investment through Internal Generation had touched the lowest ebb and is likely to plummet to 20% approximately during the Tenth Plan in comparison to 58% in Eighth Plan. Contrary to this, the share of Budgetary Support from the General Exchequer had galloped to almost 60% in the Tenth Plan from 23% in the Eighth Plan. They had also noticed that the plan size of the Railways had increased in absolute terms to Rs. 60,600 crore in the Tenth Plan from Rs. 32306 crore in Eighth Plan. They had further noted that market borrowings have substantially increased to Rs. 14003 crore (31%) in the Ninth plan from Rs. 2520 crore (15%) in the Seventh Plan and the Railways have projected Rs. 14774 crore to be mobilized during the Tenth Plan through market borrowings. The Committee had found the huge investment needs of the Railways and the present inadequate resources available with them, do call for market borrowings which was an inevitable phenomenon, but at the same time ever increasing borrowings and fall in the internally generated resources was not a healthy trend by any means.

The Committee had, therefore, strongly recommended that the Railways must put in every earnest effort with a view to augmenting their internal resources by following aggressive marketing strategies on the one hand and curbing leakages of revenue on the other hand. They must also explore new/innovative areas for raising additional revenue as adequate internal resources were vital for meeting the expansion needs of the Railways in the future.

The Committee had also noticed that the Railway had increased the freight loading target from 540 MT (BE) to 550 MT while revising the estimates for the year 2003-04 and corresponding freight earnings had been scale down to Rs.27115 crore from Rs.28815 crore. The Committee were informed that the

Railways had been able to achieve 557.39 MT (7.39 MT more) freight loading at the end of the year and the earning was Rs.27118 crore provisionally i.e. Rs.197 crore less than the Budget Estimates. They were also informed that due to commodity mix and lead factors the goods earnings did not pick up during the year. The Committee were of the view that as major portion of the internal resources were from the freight earnings, Railways were lagging behind in this area. Therefore, the Committee had recommended that Railways should identify the areas where from more freight were likely to be obtained and serious efforts be made to get traffic for higher leads besides adopting vigorous marketing strategies. The Committee would like to be apprised of the action taken in the matter.

Reply of the Government

The advice of the Committee is noted. The process of rationalization of freight structure for re-balancing of tariffs was initiated in the Railway Budget 2002-03 and is being continued. In the Railway Budget 2003-04, freight rates for certain high-rated commodities were reduced to attract more traffic to rail.

Some of the other steps taken to get more traffic by the Railways are as under:-

- i) There has been no increase in the freight rates for the year 2004-05.
- ii) Freight structure has been rationalized to remove anomalies and provide smooth telescopic reduction in per per-kilometer rates.
- iii) Number of Classes for freight rates has been reduced from 59 to 27.
- iv) Highest Class has been reduced from Class-300 to Class 250.
- v) Classification of POL, Iron & Steel, Cement etc. have been suitably reduced, resulting in reduction in freight rates ranging from 3.7% to 10%
- vi) Train-load classification has been extended to all commodities.
- vii) Powers of GMs have been enhanced to grant freight concessions upto 24% to quote Station-to-Station rates.
- viii) Increase of 2% rebate on every Rs. 5 crore net additional freight earnings granted for Premier Customers, generating and originating

earning of Rs. 25 crore p.a. from their sidings for commodities in Class-135 and above.

- ix) A rebate of 10% in freight charges for the transportation of heavy machinery consignments by special trains in a special type of wagons owned by the customers has been granted.
- x) MoU has been signed with CWC to develop a network of 22 freight terminals to provide single-window service, including loading/unloading, storage and road-bridging at the originating and destination points.
- xi) In order to remove anomalies in the method of arriving at the chargeable distance for fare and freight by different zonal railways, total distance will be rounded off to the next higher kilometer only once at the end, instead of multiple rounding off at intermediate stages. This rationalization which bring uniformity in charging of fare and freight is being implemented shortly.
- xii) A new scheme, called “Engine-on-Load” (EOL) scheme, wherein the train engine will wait during loading or unloading operation has been introduced to ensure faster clearance of rakes and better availability of wagons. The EOL customers are exempted from payment of engine hire charges, siding charges, shunting charges and the cost of all the railway staff posted in the sidings. A system of debit/credit hours, for computation of demurrage has also been introduced.
- xiii) The benefit of train-load rate for booking of “two-point” block rakes has been granted for the entire distance of transportation on end to end basis.
- xiv) Customer have been allowed clubbing up to 12 consignments in a Broad Gauge 8-wheeler wagons.

FREIGHT OPERATIONS INFORMATION SYSTEM (FOIS)
(Para No. 145)

The Committee were happy to note that recently the Railways had improved the productivity and turn over of the rolling stock due to introduction of better devices such as improvement in handling capacity of freight terminals, control over the

number of ineffective wagons, better management of terminals through the intensive use of Freight Operations Information System (FOIS) and given incentives to customers to reduce detention of rakes at the terminals. However, at the same time they could not ignore the fact that the Railways had to do much more in this field particularly by ensuring availability of adequate number of wagons/rakes keeping into account regional balance and operational viability factors. The Committee had, therefore, recommended that FOIS be replicated at the earliest on all important and viable sections where optimum freight can be obtained.

Reply of the Government

Standing Committee on Railways (2004) on “Demands for Grants (2004-05) of the Ministry of Railways” has appreciated the improvement in productivity of rolling stock through the intensive use of Freight Operation Information System (FOIS) and has recommended that the system be replicated at the earliest on all important and viable sections where optimum freight can be obtained.

The current strategy of Indian Railways for implementation of FOIS is same as recommended by the Committee. The cost of FOIS project has been estimated as about Rs. 423 crores. The budget allotment for the current year 2004-05 is Rs. 40 crore. The total expenditure on the project is about Rs. 304 crores up to September 2004. the physical progress achieved in the project, so far, is about 82 per cent.

Freight Operation Information System (FOIS) consists of two main sub-modules, namely, Rake Management System (RMS) and Terminal Management System (TMS). RMS essentially captures information relating to goods train movement on line in terms of rakes for entire Indian Railways. The RMS is now being upgraded to capture Train Operation Information in terms of wagons. For this purpose, additional terminals are being established.

TMS essentially captures the information relating to Goods Shed working including all the commercial activities relating to freight traffic. After the completion of current phase of TMS, working of all important goods terminals (TMS locations) on IR will be computerized, covering about 90 per cent of originating goods traffic. In the latter phase of implementation, remaining non-computerized goods shed will also be covered.

In the first phase of implementation, RMS has been implemented at 233 locations on Indian Railways. In addition, in the current phase, TMS is under implementation at 530 locations. So far, 180 TMS locations have been commissioned. The target date for completion of the project is 31.03.2005. It is expected that all the TMS terminals will be commissioned as per the target.

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT

NEW TRAINS

(Para No. 140)

The Committee had found that 54 pairs of additional services had been announced in this budget to meet the rising aspirations of the traveling public from all parts of the country. The additional services announced were 17 Sampark Kranti Express Train (SKET) (one Karnataka SKET had already been introduced) as proposed in the Interim Budget, 15 new Express trains, extension of 9 express trains and increase in frequency of 12 other trains. The Committee had been informed that new trains were introduced based on availability of resources, operational feasibility, availability of demand, path, maintenance, infrastructure and rolling stock. However, the Committee had observed that all these new trains introduced in this budget were mainly on already congested/saturated routes and the Railway system was already over stretched because of paucity of funds for creation of additional infrastructure required for new trains. The Committee had desired that a comprehensive perspective plan should be drawn up by the Railways projecting the growth and capacity for the next five years and the existing capacity should be fully utilized by introducing high speed trains.

Reply of the Government

Introduction of additional train services over Indian Railways is a continuous exercise. However, a major portion of these services is introduced on the basis of Inter Railway Time Table Committee (IRTTC) and Railway Budget which are annual exercises. A large number of request for train services are continuously received by Railways at various level viz. Headquarter, Zonal, Divisional and Station from various associations/organizations/groups like Divisional Railway Users Consultative Committee, Passenger Associations, Hon'ble MPs, MLAs

and other VIPs and dignitaries. As per existing practice, provision of additional train services is preceded by a proposal from the Zonal Railway approved by General Manager and after duly considering the basic factors like availability of demands, availability of path, availability of maintenance infrastructure, availability of Rolling Stock, manpower requirement, impact on freight traffic etc., Every year, Zonal Railways are asked to send recommendations for introduction of new services. Zonal Railways in turn hold meetings with respective divisions at their headquarters before they send the recommendations to the Board. All the recommendations received from the Zonal Railways are complied and from the basis of the agenda for the Inter Railway Time Table Committee meeting (IRTTC). The decisions taken during the IRTTC meeting together with the announcements made by Minister of Railways for introduction of new trains, increase in frequency, extension of trains and services on completion of gauge conversion and new line projects form the basis of annual working time table that gives minute to minute details of trains running. These train services are introduced during the course of the financial year.

The system is working satisfactorily over the years on Indian Railways. Introduction of new trains is not a part of perspective planning. Assessment of the number of trains required in a particular section, availability of travel accommodations, need for additional train in the section, however, are a part of real-time planning. However, line capacity of train route is augmented by laying of new lines, doubling, gauge conversion, improvement in signaling systems, augmenting trains to 24 coaches etc. to decongest the saturated routes and incorporated in Railway's Five year and Annual plans. Introduction of high-speed train at the speed of 150 kmph between Delhi and Agra under consideration.

WAGON PROCUREMENT **(Para No. 141)**

The Committee had observed that there had been a considerable shortfall in supply of wagons during 2003-04 to the Railways by the Private as well as Public Sector Units. As against the requirement of 19050 four wheeler units of

wagons, only 13471 were supplied. The shortfall reportedly was on account of price rise of the steel and other inputs besides the financial constraints being faced particularly by the PSUs and lock out and strike at one of the Private Wagon Builders. The Committee were also given to understand that only a small quantity of wagons (2046) were being produced in the Railways' workshops and there was no proposal to manufacture the entire quantity of wagons required by the Railways as the present system is reported to be working satisfactorily.

The Committee were apprised that fixed criteria was being followed by the Railways in awarding the contracts to the manufacturers of wagons. Under this system 75% of the order is based on average performance of the firm during the last five years and 25% based on the lowest or second lowest bidder in the open tender. They had found that despite the Ministry following this criteria, only 2/3rd of the order placed could be supplied by the Private Sector and 1/3rd by the Public Sector Units. The main reason for the shortfall was stated to be on account of the hike in the cost of inputs resulting thereby in the increased cost of production which happened to be higher than the price fixed contractually and hence not cost effective. They were also informed that the Railways had discontinued the practice of supplying free bogie couplers to the firms which were engaged in production. The Committee were however, given to understand that from 2005-06 supply of bogies couplers would be given free of cost to the manufacturers on demand.

The Committee had noted that shortfall in the supply of requisite number of wagons resulted in causing undue loss to the Railways as they remain unable to meet the demand for these on time. The Committee had expressed their concern and impressed upon the authorities to tackle this problem with due seriousness. They were of the view that the contractual price of the wagons should take into account the price hike in the various inputs. Besides, in order to mitigate the financial problems of the units, the Railways should continue to make available at least 50% of the amount payable in advance particularly to those units which were facing acute financial constraints. They had also

emphasized that the production capacity of the individual supplier as well as his financial viability should also be assessed properly apart from adhering to the criteria of selection on the basis of past performance and bidding. In order to clear the backlog of the wagons, the Railways should make available bogie couplers free of cost even during the current year. They should also consider making Bharat Wagon Engineering Co. Ltd., Muzaffarpur & Mokamoh and Burn Standard Co. Ltd. as their captive Units.

Reply of the Government

Ministry of Railways have adopted Government of India policy to make all Government purchases through tender system. Though the process of open tendering is being adopted by Ministry of Railways for procurement of wagons yet bulk of the quantity is produced from all the established wagon manufacturers with specific purchase preference to PSUs as per policy of the Government. This policy was adopted to place the order amongst all the wagon manufacturers on equitable basis keeping in view the fact that wagon industry is highly labour intensive industry. The shortfall of supply of wagons by the wagon industry is largely attributable to poor productivity, overstaffing mismanagement in the units etc., which is required to be addressed by the wagon manufacturers themselves. Ministry of Railways have always considered to utilize the capacity of PSUs to the extent possible within the existing policy framework of the Government. So far as contractual price of the wagon are concerned it is stated, that the prices of wagons are decided on the basis of tender prices quoted by the industry themselves. The system of advance payment of 50% to the wagon builders for 6 months targeted production is already in vogue. An escalation clause is already provided in the contract which takes care of most situations of price increase. So far as provision of making bogie and couplers as free supply items is concerned as informed, the same is being started from 2005-06 onward.

Regarding taking over of Bharat Wagon Engineering Co. Ltd. Muzaffarpur and Mokameh and Burn Standard Co. Ltd. as a captive units are concerned, it is informed that wagon manufacturing is not a core activity for the railways and as

brought out above, that railways entire need is being met with by the well established wagon manufacturing industry which has much higher capacity than that of Railways' requirement. However, a high level study was made to the proposal received from the Ministry of Heavy Industries regarding taking over of Bharat Wagon Engineering & Co. Ltd. as a captive unit of the Railways and it was not considered feasible. It has however, decided that Ministry of Railways as well as Ministry of Heavy Industry shall provide all possible assistance to the above units for their revival.

CHAPTER IV

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

NIL

CHAPTER V

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL
REPLIES OF THE GOVERNMENT ARE STILL AWAITED**

NIL

NEW DELHI;
February, 2005
Phalguna, 1926 Saka
