

**5**

**STANDING COMMITTEE ON  
RAILWAYS  
(2020-21)  
SEVENTEENTH LOK SABHA**

---

**MINISTRY OF RAILWAYS  
(RAILWAY BOARD)**

**[Action taken by Government on the Recommendations/Observations contained in the 3<sup>rd</sup> Report of the Standing Committee on Railways (Seventeenth Lok Sabha) on 'Demands for Grants (2020-21) of the Ministry of Railways']**

**FIFTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**FEBRUARY, 2021/MAGHA, 1942 (SAKA)**

---

**FIFTH REPORT**

**STANDING COMMITTEE ON RAILWAYS  
(2020-21)**

**SEVENTEENTH LOK SABHA**

**MINISTRY OF RAILWAYS  
(RAILWAY BOARD)**

**[Action taken by Government on the Recommendations/Observations contained in the 3<sup>rd</sup> Report of the Standing Committee on Railways (Seventeenth Lok Sabha) on 'Demands for Grants (2020-21) of the Ministry of Railways']**

**Presented to Lok Sabha on 04.02.2021**

**Laid in Rajya Sabha on 04.02.2021**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**FEBRUARY, 2021/MAGHA, 1942 (SAKA)**

## CONTENTS

COMPOSITION OF THE COMMITTEE.....	(iii)
INTRODUCTION.....	(v)

### PART-I

CHAPTER I	REPORT.....	1
CHAPTER II	Recommendations/Observations which have been accepted by the Government.....	9
CHAPTER III	Recommendations/Observations which the Committee do not desire to pursue in view of the Government's reply.....	27
CHAPTER IV	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration.....	28
CHAPTER V	Recommendations/Observations in respect of which final replies of the Government are still awaited.....	32

### ANNEXURE

I.	Minutes of the sitting of the Standing Committee on Railways held on 25.11.2020	34
----	---	----

### APPENDIX

I.	Analysis of the Action Taken by Government on the recommendations/observations contained in the Third Report of the Standing Committee on Railways (Seventeenth Lok Sabha)	36
----	--	----

**COMPOSITION OF STANDING COMMITTEE ON RAILWAYS(2020-21)<sup>@</sup>**

**Shri Radha Mohan Singh - Chairperson**

***MEMBERS***

**LOK SABHA**

2. Shri T.R. Baalu
3. Smt. Ranjanben Bhatt
4. Shri Pankaj Choudhary
5. Shri Abu Hasem Khan Chowdhury
6. Shri Kaushalendra Kumar
7. Smt. Diya Kumari
8. Smt. Jaskaur Meena
9. Shri Sunil Kumar Mondal
10. Smt. Queen Oja
11. Smt. Keshari Devi Patel
12. Shri Mukesh Rajput
13. Shri N. Reddeppa
14. Shri Achyutananda Samanta
15. Shri Sumedhanand Saraswati
16. Shri Arvind Ganpat Sawant
17. Dr. Amar Singh
18. Smt. Sangeeta Kumari Singh Deo
19. Shri Kodikunnil Suresh
20. Shri Gopal Jee Thakur
21. Sadhvi Pragya Singh Thakur

**RAJYA SABHA**

22. Shri Narhari Amin
23. Shri Chh. Udayanraje Bhonsle
24. Shri H.D. Devegowda
25. Shri N. Gokulakrishnan
26. Prof. Manoj Kumar Jha
27. Shri Joginipally Santosh Kumar
28. Smt. Phulo Devi Netam
29. Ms. Saroj Pandey
30. Shri Ashok Siddharth
31. Shri Bashistha Narain Singh

**LOK SABHA SECRETARIAT**

1.	Shri Prasenjit Singh	-	Joint Secretary
2.	Shri Arun K. Kaushik	-	Director
3.	Shri D.R. Mohanty	-	Additional Director
3.	Smt. Banani Sarker Joshi	-	Executive Officer

## INTRODUCTION

I, the Chairperson, Standing Committee on Railways (2020-21), having been authorised by the Committee to present the Report on their behalf, this Fifth Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in their Third Report (Seventeenth Lok Sabha) on 'Demands for Grants (2020-21) of the Ministry of Railways'.

2. The Third Report was presented to the Lok Sabha and laid in the Rajya Sabha on 02.03.2020. The Report contained 22 Recommendations/Observations. The Ministry of Railways furnished their Action Taken Notes on all the recommendations/observations contained in the Report on 20.07.2020.

3. The Committee considered and adopted the Draft Action Taken Report at their sitting held on 25.11.2020. The minutes of the sitting are given in Annexure.

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

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

NEW DELHI:  
02 February, 2021  

---

13 Magha, 1942 (Saka)

**RADHA MOHAN SINGH**  
Chairperson,  
Standing Committee on Railways

## CHAPTER I

### REPORT

This Report of the Standing Committee on Railways deals with the action taken by the Government on the Recommendations/Observations contained in their Third Report (17<sup>th</sup> Lok Sabha) on "Demands for Grants (2020-21) of the Ministry of Railways".

2. The Third Report was presented to the Lok Sabha and laid in Rajya Sabha on 02.03.2020. It contained 22 Observations/ Recommendations. Replies of the Government in respect of all these Observations/Recommendations have been received and are categorized as under:-

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

Para Nos. 1,2,5,6,7,9,10,11,12,13,15,16,17,18,19 and 21

Total : 16  
Percentage: 72%

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

NIL

Total :00  
Percentage: 00

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

Para Nos. 3,4,8 and 14

Total : 04  
Percentage: 18%

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

Para Nos. 20 and 22

Total : 02  
Percentage: 10%

3. The Committee trust that utmost importance will be given to the implementation of the Recommendations accepted by the Government. The Committee desire that Action Taken notes in respect of observations/recommendations contained in Chapter-I and final action taken notes to the Recommendations/Observations contained in Chapter-V of this Report for which interim reply has been given by the Government, be furnished to them not later than three months of the presentation of this Report.

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

#### **A. FINANCIAL ALLOCATION AND UTILIZATION**

##### **(Recommendation Para No. 3)**

5. In their Third Report, the Committee had noted that the BE of the Ministry for the year 2019-20 was Rs.160176 cr which was reduced at RE to Rs. 156352 cr while the actual expenditure (up to 30 January 2020) was only to the tune of Rs.1,25,418 cr. Similarly, during the year 2018-19, while the RE was scaled down to Rs.1,38,858 cr, the actual utilization was Rs.1,33,377 cr. During the year 2017-18 though the RE was Rs.1,20,100 cr, the actual achievement was only Rs.1,01,985 cr. Thus, the financial performance of the Railways during the past three consecutive years had revealed that even the reduced allocation at the RE stage could not be fully utilized. Taking note of the Ministry's assurance that they were embarking upon a number of measures which, inter alia, included electrification, new lines, gauge-conversion, doubling/tripling etc. for maximum utilization of funds during 2020-21, the Committee had trusted that the Railways would be able to honour their assurances by intensifying the proposed measures and optimally utilising the 2020-21 BE provisions of Rs.1,61,042 cr. The Committee had also opined that by virtue of maximum achievement in the fund utilization, the Railway would be on a stronger footing in availing the proposed amount from the Ministry of Finance at RE stage.

6. In their Action Taken Reply, the Ministry of Railways have stated as under:

“Lesser utilization of capex against RE allotments in previous three years were mainly due to lesser expenditure under internal resource and Extra Budgetary Resources (EBR) segments of capex. While the shortfall under internal resource segment was on account of lesser internal resource generation resulting from sharp rise in staff cost and pension pursuant to 7th pay commission implementation and less than expected traffic earnings, lesser expenditure under EBR was due to reduction in requirement under Market borrowing projected by the Zonal Railways and lesser investment in partnerships projects. However, all efforts would be made to achieve the Capex target of BE 2020-21.”



7. The Committee find that the primary reasons for the shortfall in utilization of CAPEX against RE allocations during 2017-18 to 2019-20 were lesser expenditure under internal resources on account of lesser than the projected traffic earnings and sharp rise in staff cost and pension liabilities pursuant to 7<sup>th</sup> Pay Commission implementation. The situation according to the Ministry has been further exacerbated by lower expenditure under EBR due to reduction in requirement under Market borrowings projected by the Zonal Railways and lesser investment in partnerships projects. While taking into cognizance the assurances of the Ministry that all efforts would be made to achieve the CAPEX target of 2020-21, the Committee desire that more focussed attention needs to be paid towards leveraging internal resources generation besides attracting adequate investments in partnership projects so as to effectively address the challenges faced in optimal achievement of Capex targets in the coming years.

## **B. INTERNAL RESOURCE GENERATION**

### **(Recommendation Para No.4)**

8. In their earlier Report, the Committee were concerned to note that over the years, there had been a sharp decline in the generation of internal resources by the Railways which had resulted in greater dependency on Budgetary Support and on market borrowings which did not help in the long term. To illustrate, the contribution of Internal Resources to total Capital Outlay was Rs.12125 cr or 11.03% in 2016-17 which was reduced to Rs.3070 cr or 3.1% of the total outlay in 2017-18. The trend was repeated in 2018-19 with only 3.5% of the budget being financed through the internal resources share of Rs.4663 cr. The situation became even more acute with only 3.2% or Rs.5000 cr being kept for internal resources in RE 2019-20. For 2020-21, the target was an ambitious Rs.7500 cr or 4.6% of the budget. The main reasons attributed for this decline in internal resources were shortfalls in passenger, freight and sundry earnings. The impact of the 7<sup>th</sup> Pay Commission had also contributed significantly to this downturn opining that the persistent decline in internal revenue generation was a pointer towards some inherent deficiencies in the overall planning and management despite availability of adequate Government support and infusion of funds via market borrowings, and taking into account various measures initiated by the Railways to leverage internal resource generation, the Committee had impressed upon the Ministry to escalate their efforts so as to ensure requisite revenues for carrying out the intended objectives.

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

“The Ministry is equally concerned over the decline or less than desired growth in traffic earnings in recent years and has continuously been taking measures to accelerate the growth. Apart from short term measures aimed at enhancing passenger and freight traffic by making them attractive vis-a-vis other competitive modes, Railways have embarked upon a massive investment programme for enhancing capacity and throughput such as doubling, DFC, electrification, modernization of signaling etc which are expected to improve capacity, market share in freight and passenger business and thereby revenue generation.”

**10. The Committee appreciate that with a view to increase resource generation, the Railways are embanking upon a two pronged strategy which include making passenger and freight traffic more attractive *vis-à-vis* other competitive modes and launching a massive investment programme for enhancing capacity and throughput such as doubling, DFC, electrification, modernization of signaling etc. The Committee are of the considered opinion that the measures initiated are in the right direction and should be persisted unabatedly in the right earnest so that Railways are able to secure a much needed boost in their resource generation.**

### **C. EXTRA BUDGETARY RESOURCES (EBR)**

#### **Recommendation Para No. 8**

11. In their original Report, the Committee had noted that in 2016-17, while EBR financed around 48% of the total budget, this increased sharply to 54.4% in 2017-18. The trend continued in subsequent years too. The Committee had also observed that the total lease payment to IRFC as principal component and payment of interest was estimated at a huge amount of Rs.26,160 cr for BE 2020-21. Appreciating the compulsion of the Railways for depending upon institutional finance to fund important rail infrastructure because a decline in generating adequate internal resources, the Committee had, however, impressed upon the Ministry to take into account the fact that an increased reliance on borrowings, which entail interest payment, could further exacerbate the overall financial situation of the Railways. Prudence, therefore, required that Railways had to make earnest efforts towards substantial enhancement of internal revenue generation so that over-reliance on the borrowings component of EBR was gradually reduced.”

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

“Railways need huge investment for capacity expansion so as to remain competitive with other modes of transport and also to facilitate the growth requirements of the economy. Hence, fund constraints should not hinder the growth of Railways. Though the GBS from the Government has substantially

grown over the years, the same alone can not cater to the investment needs of Railways. Hence, EBR (market borrowing) is being looked at as an assured source of funding for railways' capex. However, Railways are conscious of the debt servicing liabilities that are associated with market borrowings and are deciding on the amounts in consultation with the Ministry of Finance. Though efforts are being made on a continuous basis to enhance internal resource generation, in the immediate future, it is unlikely that there would be adequate internal resources to replace market borrowing substantially. The Ministry would however keep in view the concerns of Hon'ble Committee while deciding the level of market borrowings."

**13. The Committee take note of the Ministry's predicament that though the Gross Budgetary Support has substantially grown over the years, the same alone cannot cater to the investment needs of the Railways for which they are taking recourse to market borrowings as an assured source of funding. However, while doing so, it becomes imperative on the part of the Railways to continue to remain conscious of the debt servicing liabilities that are associated with the market borrowings and the level of such borrowings should invariably be decided in consultation with the Ministry of Finance so as to assure fiscal discipline and ensure untroubled financial health of the Railways.**

## **E. NET REVENUE**

### **Recommendation Para No. 12**

14. In their Third Report, the Committee had observed that the net revenue of the Railways witnessed a massive downward slide since 2016-17. For example, during 2016-17, BE of Rs.18210.64 cr was downsized to Rs.7695 cr or almost 58% at RE stage. However, actuals fell short of the revised targets by almost 37% at Rs.4913 cr. The scenario was repeated in 2017-18 where revised targets were Rs.6425 cr, but the achievement lagged way behind at Rs.1665.61 cr. During 2018-19, Net Revenue was reduced by around 54% i.e. from Rs.12990 cr. at BE to Rs.6014 cr. at RE while actuals had been only Rs.3773.86 cr. Similarly during 2019-20, the net revenue was reduced by more than 56% ie from BE Rs 9035 cr to RE Rs.3822 cr due to reduction in traffic earnings. The Committee had, however, appreciated that the Net Revenue of 2018-19 at Rs.3,774 cr indicated a growth of 126% over the corresponding figure of 2017-18, i.e., Rs.1665.61 cr. However, finding that the projected net revenue generation in all these years had remained far below the estimates, the Committee had desired that instead of being complacent with the appreciable increase for the Net Revenue earned during 2018-19 vis-à-vis 2017-18, the Railways should further fortify the measures undertaken so as to bridge the gap between the projections and actual generation of Net Revenue during 2020-21 and beyond.

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

“A Net Revenue target of Rs. 6,500 cr has been kept in BE 2020-21. Railways would continue their efforts to augment revenue earnings and control expenditure to maximize net revenue.”

**16. The Committee appreciate that pursuant to their recommendation, the Ministry have assured that Railways would continue their efforts to augment revenue earnings and control expenditure to maximize net revenue. The Committee trust that Railways would honour their commitments and keep taking effective measures to contain expenditure and improve revenue earnings so as to achieve the net revenue target of Rs.6500 crore during 2020-21 and strengthen the preparedness for the coming years.**

## **F. NEW LINES**

### **Recommendation Para No. 14**

17. In their earlier Report, the Committee had noted there had been a definitive push for network expansion and modernisation in the BE 2020-21. The Committee are however disheartened to note that during 2018-19, for construction of new lines the achievement was 479 kms as against the target of 1000 kms indicating a shortfall of more than 50%. The Committee had further found that Budget target for 2019-20 was halved from 2018-19 to 500 kms which was revised to 400 kms at RE stage. The actuals as of Jan. 2020 were 278 kms. Expressing the view that downward revision of the Plan allocations required reworking of priorities and rescheduling of activities which ultimately led to tardy progress, the Committee, therefore, call upon the Ministry to review all the pending projects for New Lines considering their economic viability, critical importance, etc., and prepare an action plan to implement them within a definite time frame so that these projects could be completed expeditiously.”

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

“In the year 2018-19, Indian Railways had targeted commissioning of 1000 km of New Line However, commissioning of New line has been 479.54 km. The reasons for shortfall of achievement is enumerated as under:-

Railway Board gives quite optimistic targets to Zonal Railways in the beginning of the year, so that, Zonal Railways can achieve higher progress. Indian Railways achieved commissioning of 3596 Km of New Line, Gauge Conversion & Doubling Projects during 2018-19, which is the ever highest progress so far in the history of Indian Railways.

The average per day commissioning of New Line, Gauge Conversion & Doubling projects has been 9.85 Km per day in 2018-19, which is also highest ever progress, as, the same was only 4.1 Km per

day during the period from 2004-14. Thus, per day commissioning during 2018-19 was 140% more w.r.t. that during 2004-14.

Also, commissioning of New Line during 2014-19 was 3035 Km against 1727 Km during 2009-14, which is 176% of 2009-14.

The Budget Outlay for New Line, Gauge Conversion & Doubling projects during 2018-19 was Rs. 30696 Crore, against which, the actual expenditure done by Railway was Rs. 30916 Crore. Thus, the expenditure done was more than funds allotted.

From the above, it is concluded that, all out sincere efforts have been done by Railway in achieving the targets w.r.t. the resources made available.

Commissioning of New Railway line involves land acquisition by State Governments, forest clearance by officials of forest department, shifting of infringing utilities (both underground and over ground), statutory clearances from various authorities, encountering unforeseen conditions like earthquake, flooding, excessive rains, strikes of labor, order of Hon'ble Courts etc & all these factors affect the completion time and cost of the projects.

However, due to enactment of new land acquisition Act of 2013, the land acquisition became a daunting task & extremely time consuming activity. Similarly, time taken in forest clearances was much more than anticipated, leading to slow progress.

In addition, there have been large number of cases of local resistance against the land acquisition for new line projects, leading to delay.

Thus, pace of execution of project & commensurate expenditure on a project is depending on large number of above mentioned factors, which themselves are sometimes interdependent, unpredictable in nature & differ from project to project, location to location as well.

Nevertheless, all out sincere efforts have been & would be made by Indian Railways in early commissioning of New Line & Gauge Conversion Projects.

Considering the funds allotted to Construction organizations and achievement of Construction Organizations over the previous years, the targets of new line doubling and gauge conversion in 2019-20 were made more realistic to match with the rate of commissioning over the years.

However, all out sincere efforts are being made to expedite rate of commissioning of projects in Indian Railways & review, of projects is a continuous process & is being done regularly depending upon the site conditions & resources made available."

**19. According to the Ministry, the pace of execution of a project and commensurate expenditure on it depend on a large number of factors which *inter alia* include land acquisition, forest clearance, unforeseen circumstances like earthquake, flood, strikes by labour, litigation etc. The Committee are well aware of such unpredictable and interdependent bottlenecks that impede the pace of execution of projects by the Railways. Despite such constraints, the Railways have been able to achieve commissioning of 3596 kms. of New Line, Gauge Conversion and Doubling Projects during**

**2018-19 which is the highest level progress so far in the history of Indian Railways. While applauding the performance of the Railways, the Committee desire that similar concerted efforts be continued to repeat the performance of 2018-19 so that the targeted New Lines, Gauge Conversion and Doubling Projects are achieved each year which in turn would leverage the revenue earnings of the Indian Railways to a substantial extent.**

## **CHAPTER-II**

### **RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **Recommendation (Para No. 1)**

A comprehensive examination of the Demands for Grants (2020-21) of the Ministry of Railways has revealed consistently falling revenues, rising expenditure and a soaring operating ratio coupled with continuous erosion of customer base in both freight and passenger traffic segments. The Committee note that the Railways are making earnest efforts towards mopping up requisite resources and initiating structural reforms through a wide range of endeavours. The Committee are of the considered opinion that these are steps in right direction which also needs continuous follow up and effective monitoring so as to enable the Railways to garner sufficient external resources, generate adequate internal revenue and provide quality services for remaining in contention. Based on the information supplied by the Railways and evidence of the representatives of Ministry of Railways (Railway Board), the Committee have reached to certain conclusions which have been discussed in succeeding paragraphs.

#### **Reply of the Government**

The Ministry is thankful to Hon'ble Committee for appreciating the sincere efforts made towards mopping up requisite resources and initiating structural reforms through a wide range of endeavors. The Ministry is committed to take them forward.

#### **Recommendation (Para No. 2)**

The Committee find that the Railway Budget is primarily funded from three different sources viz : (i) budgetary support from the central government, (ii) extra budgetary resources (primarily borrowings and also includes institutional financing, public private partnerships, and foreign direct investment, and (iii) its own internal resources (freight and passenger revenue, and leasing of Railway land etc.). The Committee observe that the Annual Plan for the year 2020-21 of the Ministry of Railways has been pegged at Rs.1,61,042 cr comprising Gross Budgetary Support of Rs.70,250 cr, Internal Resources of Rs.7,500 cr and Extra Budgetary Resources (EBR) of Rs.83,292 cr. This has been made against a proposed outlay of Rs.1,97,295 cr. While allocations for GBS was proposed for Rs.1,09,503 cr, the final allocation was reduced by more than 30% to Rs.70,000 cr. According to the Ministry, one of the main reasons for drastic reduction in the BE proposal for 2020-21 was the reduction in the proposed GBS. The Committee are disappointed to note that the allocation of funds for the fiscal 2020-21 was not as per the Ministry's demand. They feel that

it may not be adequate for effectively enforcing the ambitious investment plan of the Railways as well as expeditious completion of pending projects. The Committee recommend that the matter be taken up with the Finance Ministry at the appropriate level for enhancing the allocations suitably at the RE stage so as to enable the Railways to cater to the projected expansion, upgradation and modernization of Railway network.

### **Reply of the Government**

The Gross Budgetary Support(GBS) of the Government to Ministry of Railways in BE 2020-21 is Rs. 70,250 cr (including Nirbhaya Fund). Though the GBS allotted by the Government is not as per the projected requirement of Railways, the same is higher over the RE 2019-20 allotment of Rs. 68,105 cr. Issues related to higher GBS requirement is discussed by this Ministry regularly with the Ministry of Finance during various review meetings. As recommended by Hon'ble Committee, Ministry of Finance would be requested for higher GBS allotments during the year including the RE stage.

Ministry of Railways is thankful to the Hon'ble Committee for appreciating Railways' needs for adequate investment in projects of expansion, upgradation and modernisation of Railway network. A large part of such investment is made from Capital extended by Ministry of Finance (MOF) as Gross Budgetary Support (GBS) from General Exchequer. Railways' requirement of funds under GBS for the ongoing financial year is submitted to MOF through the Revised Estimates every year, as per an established mechanism. Suitable funds are allotted by MOF keeping in view requirement of competing Ministries/Departments etc and availability of overall resources. The recommendation of the Hon'ble Committee has been noted.

### **Recommendation (Para No. 5)**

The Committee note that since 2017-18, the actual Gross Traffic Receipts of the Indian Railways have fallen short of the revised estimates. The Ministry have attributed intense competition confronted by the Railways' passenger and freight business from low-cost airline and specifically expanding road sector as the main reason for the slump in GTR. The situation has been further aggravated by the recent slump in the demand for coal and cement which used to be the mainstay of the Railway freight basket. In this context, the Committee would like the Railways to explore diversification of its freight business so that they do not remain fully dependent on carrying traditionally bulk commodities like cement, coal and iron ore. The Committee are of the firm opinion that with such diversification according to the changing scenario would enable the Railways to increase their market share in the freight business which in turn results in enhancement of Gross Traffic Receipts.



## Reply of the Government

With a view to facilitate exploitation of attractive market of e-commerce segment, Zonal Railways have been advised to utilize existing provisions for transportation of e-commerce consignments through Sub-urban Railways (EMU/DMU/MEMU trains) under certain terms and conditions. Zonal Railways have also been empowered to modify some of these terms and conditions with the approval of General Managers depending on the local factors.

Besides, rights have been granted to Kirloskar Pneumatic Company Limited to haul RoadRailer train on IR network so as to facilitate seamless door-to-door service and to generate additional revenue. The service has already become operation since September 2018.

The details of Gross Traffic receipts for year 2017-18, 2018-19(target), 2018-19 (actual) and 2019-20 (target) are given as under:

Particular	2017-18	2018-19 Target	2018-19	2019-20 Target
Passenger	48643.14	52000	51066.65	56000
other Coaching	4314.43	6000	4474.46	6000
Goods	117055.40	121950	127432.72	143000
Sundry Other Earnings	8688.18	20790	6996.23	11575
Total	178701.15	200740	189970.06	216575

Indian Railways is committed to offer affordable transportation solution to the poorest section of the society and therefore, the passenger fares have traditionally been kept at low level particularly for second class ordinary and suburban passengers. Indian Railways carries out certain transport activities which are uneconomic in nature and are carried out in the larger interest of the country. The tariff policy on Indian Railways has traditionally been one of restraint with regard to increase in passenger fare.

The last fare revision was carried out in 2014-15.

Recently from 01.01.2020, Indian Railway has revised the basic passenger fare with following features:-

- 01 paisa per kilometer increased in ordinary non-AC classes in Non-suburban
- 02 paisa per kilometer increased in Mail/Express Non-AC classes in Non-Suburban
- 04 paisa per kilometer increased in AC classes in Non-suburban
- No increase in passenger fare of Suburban
- No increase in season tickets (both suburban & Non-Suburban)

Indian Railway has deployed multi-pronged strategy to boost its revenue from freight; which include tariff rationalization and Tariff/freight incentive schemes which target to make rail a more competitive mode by attempting to bring down freight costs, enhancing ease of doing business which involves simplification of

rules & processes and use of IT/digitisation to make rail business more customer-friendly and enhance transparency and diversification of freight basket in which IR has consciously adopted a strategy of gaining new traffic/commodities, in addition to transporting the conventional bulk commodities; for eg. Container traffic, automobile traffic etc

The following initiatives has been taken to attract more traffic:-

- i. The rationalization of freight applicable with effect from 01.11.2018 has following features:
  - a. Increase in freight rate of Coal , RMSP (Raw material for steel plants ) , Iron & Steel , Iron ore , Other goods @ 8.75 %
  - b. Increase in haulage charge of Container trains @ 5 % w.e.f 01.12.2018
  - c. No increase in freight of Foodgrain, Fertilizers, POL, Sugar, Salt, Edible oils and Cement, as there are essential commodities or already at high rate.
- ii. Withdrawal of 15% Busy Season Charge on all commodities (except POL and Iron ore). Coal & Coke and container traffic is already exempted.
- iii. Withdrawal of 5% supplementary charge from Mini Rake and Two Point Rake combination to make the rail rates competitive.
- iv. A discount of 25% on movement of empty containers and empty flat wagons has been given, to encourage loaded container movement from ports to hinterland. This discount was raised to 100% during pandemic COVID 19 from 24.03.2020 to 08.05.2020.
- v. Distance for Mini Rake operation has been relaxed upto 1000 km for Intra Zonal traffic. Further, it has been relaxed upto 1500 km for inter-zonal and Intra-zonal traffic both. Mini rakes are also booked under lower train load rates.
- vi. Distance between two points combinations have relaxed to 500 km.
- vii. Round Trip Traffic (RTT) policy has been finalized and will come into force from 01.07.2020. This policy provides handsome discount to the customers who offer traffic in return direction within 24 hrs subject to certain terms and conditions.
- viii. In order to expand the freight basket for containerization, more than 90 commodities has been de-notified and brought under FAK rate which are lowest rate for container traffic.
- ix. Double Stack Dwarf Containers has been introduced as a new delivery model and is charged by applying 17% concession on FAK rates to make this delivery model attractive.
- x. Round-trip haulage charge for container traffic (for 0-50 km) minimum distance slab has been notified which is around 35% cheaper per TEU/round trip
- xi. GST exemption has been permitted for certain commodities which are being transported by container

- xii. The benefit of night incentive at par with goods traffic has been extended to container traffic handled at Container Rail Terminal
- xiii. Liberalization (reduction) of Terminal Access Charges (TAC) for double (loading & unloading) operations; i.e. instead of 1.5 times the applicable rate, single time charge is now applicable.
- xiv. Freight rate for movement of Automobile traffic when moved in NMG, BCCNR & BCACM wagons has been retained further for the period of another year i.e. from 01.12.2019 to 30.11.2020.

To facilitate the ease of doing business Railway has initiated electronic registration of demand, electronic transmission of Railway Receipts, user- friendly weighment policy etc.

### **Recommendation (Para No. 6)**

The Committee are concerned to note the losses incurred by the Railways in passenger services purportedly due to the social service obligations which, inter alia , include pricing tickets at fares lower than costs, passenger concessions etc. The predicament of the Railways is that the profits earned from freight business is utilized to compensate for the loss incurred on passenger and other coaching services thereby adversely affecting both freight and passenger business. It therefore becomes imperative that both freight and passenger fares are rationalised prudently. Since the demand for transport is elastic in a competitive market, the Committee would like the Railways to be mindful of the fact that any increase in fares should be confined to a certain limit depending upon the competition from other transport modes. The Committee also recommend that there is a need to revisit the components that constitute social service obligations of the Railways in this challenging scenario. They are also of the considered opinion that the operational efficiencies of the Railways in both freight and passenger business have to be leveraged to a greater extent so as to retain the customer base and enhance revenues.

### **Reply of the Government**

NIPFP was engaged to carry out a study on “Developing a mechanism for computing the value of Social Service Obligations (SSO) being borne by IR in 2017. NIPF&P’s recommendation regarding the elements constituting Social Service Obligations (SSOs) of IR and accepted by Ministry of Railways are as given below:

S.No.	Description of Losses	Categorize the losses as SSOs of IR
1.	Concessions in Passenger Fares	SSO of IR
2.	Losses on Uneconomic Branch Lines (UBLs)	
3.	Losses on Strategic Lines not Compensated by MoF	
4.	Losses on Account of EMU Suburban Services	
5.	Losses on Account of fares below Cost	
6.	Loss on Commodities (Low rated)	Not considered as SSO of IR
7.	Other Coaching (Parcel, Luggage, Postal and Catering)	

Losses incurred on account of low tariff of parcel, luggage, postal services & catering, for which IR is under no obligation to keep the fares/ tariff low should not be treated as SSO to IR.

The concern shown by the Committee is highly appreciated. It is submitted that rationalisation of fare and freight is an ongoing process and at times, it is resorted keeping in view the market, alternate modes of transport, economic situation of the country etc. Taking into account the all relevant factors, the rationalisation of fare was done w.e.f. 01.01.2020 with following features:

- 01 paisa per kilometer increased in ordinary non-AC classes in Non-suburban
- 02 paisa per kilometer increased in Mail/Express Non-AC classes in Non- Suburban
- 04 paisa per kilometer increased in AC classes in Non-suburban
- No increase in passenger fare of Suburban
- No increase in season tickets (both suburban & Non-Suburban)

Similarly, freight tariff has was rationalized from 01.11.2018 in which freight rates for most of the commodities was increased by 8.75%. However, freight rates was not increased in case of Foodgrain, Fertilizers, POL, Sugar, Salt, Edible oils and Cement.

Freight for container traffic was increased by 5% only from 01.12.2018.

Further to this, certain additional initiatives have been taken to make the freight competitive as highlighted in the reply given against recommendation No.5; some of them includes withdrawal of busy season charge @15%, withdrawal of supplementary charges leviable on two point rakes, mini rakes etc., relaxation of distance in case of mini rake, two point rake, Round Trip Traffic policy, Round trip charge for container traffic, relaxation in levy of Terminal Access charges in case of container traffic, expansion of e-RD and e-TRR etc.

As regards revisiting the components of social service obligation, it is submitted that National Institute of Public Finance and Policy (NIPFP) was engaged for developing a mechanism for computing the value of Social Service Obligation (SSO) being borne by Indian Railways. They submitted final report in November, 2017. The same was examined in Board.

### **Recommendation (Para No. 7)**

According to the Ministry, the limited success on the part of the Railways in raising revenues through land monetization, advertisements etc. has adversely affected their financial health. In view of the fact that non-fare revenue commands equal significance, more so when losses are incurred on passenger fares, the Committee impress upon the Railways to strengthen their planning, management and monetary mechanisms to earn substantial non-fare revenues through various methods/sources, already intended and put in place.

### **Reply of the Government**

1. To enhance alternate sources for generation of revenue, Ministry of Railways has framed policies for enhancing Non-Fare Revenues (NFR). The policies include generating revenue from Out of Home advertising, advertisement on Mobile Assets in trains, Content on Demand, Rail Display Network, Unsolicited proposals policy and New Innovative Non Fare Revenue Ideas Scheme (NINFRIS). Further, Central and State Governments have also been offered a scheme for Vinyl Wrapping of trains at fixed rates. They have also been offered subsidized rates for show casing Social Welfare Schemes through hoardings at stations.

2. In addition to above, full powers have been delegated to General Managers and Divisional Railway Managers of all Zonal/Divisional Railways to award advertising contracts in order to expedite the process and increase revenue.

3. In order to strengthen Indian Railways planning, management and monitory mechanism to earn substantial non-fare revenues through various methods / sources, some recent projects/steps envisaged to enhance revenue from NFR/Commercial Publicity are as follows:

- Content on Demand- The bid process management of COD has been re-entrusted to RailTel on 11.07.2019 with 50:50 revenue shares between Indian Railways and RailTel. The LoA for implementation of CoD has been issued by RailTel on 14.01.2020. Rs. 63 cr p.a. minimum guarantee shall be paid by service provider for 10 years. In addition to this, the bidder will also share revenue generated through CoD services @ 10% to 45% depending upon the revenue slab.
- Rail Display Network- The bid process management of RDN has also been re-entrusted to RailTel on 15.01.2020. The RFP of RDN has been floated on 24.03.2020 by RailTel.
- In response to Zonal references, policy/instructions are being reviewed with intent to remove any bottlenecks/constraints and to expedite implementation of the proposals.

Approximately 0.51 lakh hectare Railway land is vacant which is mostly in the form of narrow strips along the tracks, which is required for servicing and maintenance of track, bridges and other railway infrastructure. Further, this vacant land is utilized for execution of various infrastructural projects for meeting future growth needs of Railways which include projects like doubling/tripling and traffic facilities works, etc. Railway`s operations also necessarily require development of ancillary logistic support/infrastructure such as bulk oil installations & oil depots, steel yards, concrete sleeper plants, coal dumps, private sidings, connectivity to ports and other infrastructure, commercial plots, vending stalls, etc. for which land is leased/licensed. Efforts are being made by Railways to increase the non fare revenue from conventional usage of railway land every year by realizing the outstanding dues from the concerned parties. During the last five years earning from conventional usage of land has been as follows:

<b>Year</b>	<b>Earning (fig. in Crs.)</b>
2015-16	1682.49
2016-17	2079.45

2017-18	1525.02
2018-19	1976.78
2019-20	1772.88

Moreover, the vacant land, which is not required by Railways for its immediate operational needs, is utilized for commercial development, wherever feasible, in order to mobilize additional financial resources through Rail Land Development Authority (RLDA). RLDA is a statutory Authority under the Ministry of Railways, set up by an Amendment to the Railways Act, 1989 for development of Railway land as entrusted by the Central Government for commercial use for the purpose of generating revenue by non-tariff measures. For this purpose, RLDA enter into agreements on behalf of the Central Government, execute contracts with the developers and conduct its business.

The land parcels offered by Railway for commercial development are entrusted to RLDA by Central Government, i.e. Ministry of Railways. Railway land entrusted to RLDA can be developed for purposes like commercial, institutional, hospitality, entertainment, etc. RLDA may also develop railway land in phased manner, in case the phased development is considered to be more beneficial based on market assessment. Commercial Development shall conform to the development control norms of the area where land is located. Land for commercial development is leased out through open, transparent and competitive bidding process.

As on Jan, 2020, 75 sites measuring 241.41 Ha of railway land (approx.) where commercial development seems feasible, have been entrusted to RLDA which were identified by Railway/RLDA. RLDA has also been entrusted with 84 colonies for colony redevelopment under colony redevelopment program of IR to redevelop old railway colonies at no cost to Railways by utilizing funds generated from commercial exploitation of unutilized FAR of colonies.

Power has been delegated to Zonal railways/RLDA for giving land for Open Space Reservation (OSR) for change of land use, resulting in clearing of non-approved pending Change of Land Use (CLU) cases with concerned local authority. RLDA now, has been allowed to lease out / or multiple sublease of railway land for commercial exploitation up to a maximum lease period of 99 years including residential development limit based on specific requirement of the site, project and local real estate market. Above mentioned reforms taken by IR render support to RLDA for effective & faster commercial utilization of Railway land for generating revenue in years to come and the effect of such reforms are now visible in terms of the earning of Rs. 933.27 Cr generated in year 2019-20 against the target of Rs. 1660 Cr. through commercial development.

In this respect, a 'Five Year plan' has also been made out by RLDA for the land parcels entrusted to RLDA. However, it is pertinent to mention that the success of land monetization through RLDA depends on demand of real estate market, economic condition of country etc. which is a dynamic process.

Apart from above, Land Management in Indian Railways is strengthened which is being looked after at HoD level officer (generally, Chief Engineer General) at Headquarter of Zonal Railways. Chief Engineer (General) is assisted by Deputy Chief Engineer/Land or XEN/Land. At Divisional level, the work of land management is looked after by the Divisional Engineer/Land in IR. These officers are further assisted by the junior officers, supervisor and ministerial staff. An online application called Land Management Module has been provided in Track Management System (TMS). This module provides Centralized database for Land records of Railway i.e. Land Acquisition details, Area, usage and AutoCAD plans /authenticated land plans are uploaded. Zonal Railway have been instructed that all ownership related information should be digitalized and kept in Centralized form and to make out an effort to get the missing land plans which is a continues exercise. A separate land management system (LMS) in line with Track management System (TMS) has also been envisaged for synchronizing all land data and related details of land management's data for lease/license right of way etc. in one online platform.

### **Recommendation (Para No. 9)**

The Committee find that the Railways administer a number of Railway Funds. While the Depreciation Reserve Fund is meant to meet the capital expenditure on replacement and renewal of Railway assets, the Development Fund is to meet capital expenditure on passenger amenities, labour welfare works etc. Capital Fund is to meet the debt servicing obligations of principal component of market borrowing from IRFC and works of capital nature. The Ministry has also to administer the Pension Fund as well as to finance pensionary payments to the retirees. The Committee find that in 2020-21, appropriations to the DRF is estimated at Rs.800 cr. which is a huge reduction from Rs.5200 cr as provided in 2017-18, though marginally improved from Rs.300 cr in 2018-19 to Rs.400 cr in 2019-20. The Committee are given to understand that reduction in the DRF is due to the introduction of the RRSK as a source of assured funding. According to the Ministry, since appropriation of DRF or Railways share of RRSK is to be met from Railways' revenues, the appropriation levels to these funds are decided as per the works to be executed through each fund. Taking note of the Ministry's assurance that there is no sidelining of DRF, the Committee believe that in case the RRSK is not to be continued beyond 2021-22, the Railways should remain prepared for adequate appropriation to the DRF so that renewal and replacement works having safety implications are again funded out of DRF.

### **Reply of the Government**

If the RRSK is not continued beyond 2021-22, the Railways are committed to appropriate adequately to DRF for catering to renewal and replacement works having safety implications.

### **Recommendation (Para No. 10)**

The Committee note that appropriations to the Pension Fund account was nearly a quarter of the total working expense of the Railways. In just a span of one year the appropriations to the Pension Fund rose 10% from Rs.48350 cr at RE 2019-20 to Rs.53160 cr at BE 2020-21. In this context, the Committee find that Railways is the only department of the Government of India which meets the pension expenditure of its retirees from own receipts while in respect of all other Departments, the share is met by the Ministry of Finance. The Ministry, therefore, submitted that it is increasingly becoming difficult to bear the pension expenditure from Railway revenues, more so when the Social Service Obligations have crossed Rs.50,000 cr in 2018-19. Moreover, the New Pension Scheme (NPS) implemented in 2004 and intended to reduce the pension bill of the Government would start giving results around the year 2034-35. The Ministry's constraints in this regard merits due attention. The Committee desire that the feasibility of bearing at least a part of the Railways pensionary liabilities by the Ministry of Finance, consequent upon the merger of the Railway Budget with the General Budget, be explored so as to provide some relief to the Railways at least till 2034-35.

### **Reply of the Government**

Ministry of Railways recently took up this issue with Ministry of Finance but have not succeeded. However, the recommendations of the Committee would be forwarded to MoF for necessary action at that end.

### **Recommendation (Para No. 11)**

14. The Committee note that the RRSK was established in 2017-18 with a corpus of Rs.1 lakh cr over a period of 5 years (Rs.20000 cr each year) for critical safety related works, augmentation of assets as well as their renewal and replacement. The outlay for RRSK includes Rs.5,000 cr each from budgetary support and Railways' own internal resources. The remaining Rs.10,000 cr is to come from the Central Road and Infrastructure Fund. The Committee find that while 75%, i.e. , Rs.15000 cr is of the nature of assured funding, allocations from the internal resources have not been able to match up the targets. During 2019-20, spending on RRSK was curtailed by 50% and stood at Rs.2500 cr. Similarly during 2018-19 the actual allocation fell short by 40% and stood at Rs.3024 cr. In the face of falling internal revenue and the Railways' inability to transfer the desired level of funds to the RRSK, the Committee feel that the very purpose of the RRSK is gradually being eroded. The Committee are of the considered opinion that this large infusion of funds has been instituted to assure the safety of Indian Railways. It, therefore, becomes imperative on the



part of the Railways to make concerted efforts to augment their revenue so that they are able to contribute their share to the RRSK Fund and the purpose of creating the Fund is well served.

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

“As per the funding arrangement for RRSK, Railways are required to make an annual contribution of Rs. 5,000 cr while the rest 15,000 cr comes through Gross Budgetary Support. Railways’ contribution to RRSK is made out of Net Revenue of Railways after meeting all other mandatory expenses from Railway receipts. In 2018-19 and Revised Estimates 2019-20, Railways have made less than mandated contribution to RRSK due to inadequate Net Revenue. The Net Revenue in these years has been lower than targeted due to continued pressure on working expenses pursuant to implementation of 7th Central Pay Commission recommendations and lower than expected growth in freight earnings on account of slump in the core sector of the economy. Railways have however been taking various short term and long term cost cutting and revenue enhancing measures for maximising Net Revenue so that the desired appropriation to RRSK and other railway funds could be made.

While keeping revenue expenditure to the bare minimum, Railways have been proactively addressing various concerns of the industry and customers to revive the demand for freight loading by Rail and enhance passenger earnings and have taken following measures:

- Levy of busy season charge deferred
- Round-trip charging on Container traffic
- Discount on movement of empty containers and empty flat wagons
- Large-scale de-notification of commodities for container traffic
- Withdrawal of 5% surcharge on mini-rake/two-point rake/multi-destination
- Relaxation of distance condition on loading of intra-zonal two-point rakes
- Relaxation of distance restriction for mini-rakes
- Amendment in freight advance policy to grant priority to rake allotment
- Many measures have been taken to enhance ease of business, such as Pan-India implementation of eT-RR, reforms in the weighment etc.
- To sustain the increased loading and maximize the loading potential, instructions have been issued to the Zonal Railways to restart the running of freight convoys on identified routes through suitable regulation and rationalization of maintenance practices.
- Augmentation of on-board capacity by attachment of additional coaches, running of special trains during festivals and holidays, running of Suvidha trains etc.
- Rationalisation of Flexi fare scheme through reduction of maximum cap in all flexi fare applicable classes, offering graded discounts in all flexi-fare trains and discontinuation of flexi fare in certain trains
- Offering 10% discount in basic fare on vacant berths/seats booked after preparation of first reservation charts
- Delegation of powers to Zonal Railways to declare sleeper class coaches running underutilized over particular section as second class unreserved on second class fare
- Delegation of powers to Zonal Railways to declare AC-III tier coaches running vacant during day time over a particular section as AC chair car over certain sections
- Streamlining of Computerised Passenger Reservation System to facilitate timely preparation of reservation charts and transfer of vacant berths to next remote location enabling optimum utilization of available accommodation
- Extension of Alternate Train Accommodation Scheme VIKALP scheme on all trains to provide confirmed accommodation to waitlisted passengers

- Increase in number of RAC berths to provide additional accommodation to the passengers
- Organising intensive ticket checking drives, including fortress checks, etc. to discourage ticketless travel
- Diversification of ticket booking modes through proliferation of Automatic Ticket Vending Machines (ATVM), ticketing through mobile phone etc.
- Expansion of digital payment modes like net-banking, credit/debit cards, e-wallets, Unified Payment Interface (UPI)/Bharat Interface for Money(BHIM) to enhance passenger convenience

Further to the above, targeted investment is being made on a continuous basis on capacity augmentation works such as doubling (including DFCs), electrification, modernization of signaling etc and on super critical and critical projects so that there is significant growth in railway revenues.

### **Recommendation (Para No. 12)**

The Committee find that the net revenue of the Railways witnessed a massive downward slide since 2016-17. For example, during 2016-17, BE of Rs.18210.64 cr was downsized to Rs.7695 cr or almost 58% at RE stage. However, actuals fell short of the revised targets by almost 37% at Rs.4913 cr. The scenario was repeated in 2017-18 where revised targets were Rs.6425 cr, but the achievement lagged way behind at Rs.1665.61 cr. During 2018-19, Net Revenue was reduced by around 54% i.e. from Rs.12990 cr. at BE to Rs.6014 cr. at RE while actuals have been only Rs.3773.86 cr. Similarly during 2019-20, the net revenue was reduced by more than 56% ie from BE Rs 9035 cr to RE Rs.3822 cr due to reduction in traffic earnings. The Committee appreciate that the Net Revenue of 2018-19 at Rs.3,774 cr indicates a growth of 126% over the corresponding figure of 2017-18, i.e., Rs.1665.61 cr. This has happened due to several measures undertaken by the Railways. However, the projected net revenue generation in all these years have remained far below the estimates. The Committee, therefore, desire that instead of being complacent with the appreciable increase for the Net Revenue earned during 2018-19 vis-à-vis 2017-18, the Railways should further fortify the measures undertaken so as to bridge the gap between the projections and actual generation of Net Revenue during 2020-21 and beyond.

### **Reply of the Government**

A Net Revenue target of Rs. 6,500 cr has been kept in BE 2020-21. Railways would continue their efforts to augment revenue earnings and control expenditure to maximize net revenue.

### **Recommendation (Para No. 13)**

The Committee note that the Operating Ratio of Indian Railways has been consistently high at above 96% since 2016-17. To illustrate, the Operating Ratio has been 90.5, 96.5, 98.4 and 97.29% during the years 2015-16, 2016-17, 2017-18 and 2018-19 respectively. Further, for the year 2019-20, it has been revised to 97.46% from 95%. For 2020-21, a target of 96.28% has been kept. The reasons for poor

Operating Ratio have been attributed to the sharp rise in staff cost due to the implementation of the 7 th CPC coupled with a drop in goods earnings. The Committee are aware that the Operating Ratio is a function of total working expenditure to total traffic earnings and any effort to improve the same revolves around maximizing the traffic earnings and minimizing the controllable working expenses. The Committee are of the strong view that in order to reduce Operating Ratio, the Railways need to review their strategic outlook and adopt a long-term strategy for enhancing the efficiency in operation and various maintenance units. The Committee, therefore, recommend that Ministry should observe more fiscal discipline and plug leakages and the Railway finances be better monitored and managed prudently by keeping a close watch on the undesirable/ unproductive expenditure so that the Operating Ratio is brought down to a reasonable level in the near future.

### **Reply of the Government**

Railways, as an ongoing process, have rigorously been putting in place austerity measures so as to contain the working expenses to the barest minimum. Railways would sincerely carry forward the efforts to augment revenue earnings and control expenditure so as to bring the Operating Ratio (OR) to some reasonable level. However, Hon'ble Committee may appreciate that the Railways carry certain coaching services including sub-urban services etc. and essential goods on below cost in the larger interest of society (around Rs. 38,000 cr in 2018-19), without being compensated which impacts the OR adversely by over 15%.

### **Recommendation (Para No. 15)**

The Committee appreciate that as against the target of 2100 kms for doubling during 2018-19, the actuals were to the tune of 2519 Km ( including 1000 Km of DFC track ) which is reportedly the highest ever progress in the history of Indian Railways according to the Ministry. During 2019-20, the targets were revised slightly downward from 2650 kms to 2450 kms. The achievement upto Jan 2020 is at 942 kms which does not include the progress under DFC. The Committee trust that the Railways would continue with the momentum set in the previous year and expect the same level of accomplishments for the years 2019-20 and 2020-21 as well.

### **Reply of the Government**

In the year 2018-19, Indian Railways have targeted commissioning of 2100 km of Doubling and the achievement has been 2519 km ( including 1000 Km of DFC track) which is the highest ever progress in the history of Indian Railways.

The average per day commissioning of New Line, Gauge Conversion & Doubling projects has been 9.85 Km per day in 2018-19, which is highest ever progress, as, the same was only 4.1 Km per day during

the period from 2004-14. Thus, per day commissioning during 2018-19 was 140% more w.r.t. that during 2004-14.

The Budget Outlay for New Line, Gauge Conversion & Doubling projects during 2018-19 was Rs. 30696 Crore, against which, the actual expenditure done by Railway was Rs. 30916 Crore. Thus, the expenditure done was more than funds allotted.

From the above, it is concluded that, all out sincere efforts have been done by Railway in achieving the targets w.r.t. the resources made available.

To utilize the available resources in focused manner, in the year 2019-20, through review of throughput enhancement projects has been carried out with focused approach & the projects have been prioritized into Super Critical (58 Nos), Critical (68 Nos) and other throughput enhancement projects. The Super Critical Projects are targeted for completion by December, 2021 & Critical Projects by March, 2024 and all other sanctioned executable doubling projects are targeted to be completed by March, 2024.

Out of 58, 16 Nos. Super Critical Projects have been completed & commissioned so far Similarly, 1 no. critical project has been commissioned Also, during 2019-20, 1458 Km of doubling was commissioned & could have been done more upto 31.03.2020 but the lockdown in the Country due to COVID-19 Pandemic adversely affected the progress of commissioning of projects. All out sincere and focused efforts are being made by Railway for quick execution of these projects so as to get early returns to Railway.

Considering the funds allotted to Construction organizations, achievement of Construction Organizations over the previous years, & the COVID-19 situation prevailing in the Country the targets of new line, doubling and gauge conversion in 2020-21 has been fixed, and all out sincere efforts are being made to expedite rate of commissioning in Indian Railways.

### **Recommendation (Para No. 16)**

The Committee note with concern that there have been major shortfalls in gauge conversion during the last few years. Against the revised target to complete 1,000 km of gauge conversion, the achievement was only 597 km during 2018-19. The Committee also find that targets of BE 2019-20 of 600 kms were revised downwards to 400 kms at RE. The actuals as of Jan. 2020 were 345 kms. The targets for 2020-21 have been set conservatively at 600 kms. The Committee take a rather critical view of the apparent lack of progress in gauge conversions and recommend that the Railways should exercise due diligence and identify and remove all those impediments that obstruct network expansion so as to achieve the targetted gauge conversions in a seamless manner.

### **Reply of the Government**

In the year 2018-19, Indian Railways have targeted commissioning of 1000 km of km of Gauge Conversion. However, commissioning of Gauge Conversion has been 596.8 km. The reasons for shortfall are achievement is enumerated as under:-

Railway Board gives quite optimistic targets to Zonal Railways in the beginning of the year, so that, Zonal Railways can achieve higher progress. Indian Railways achieved commissioning of 3596 Km of New Line, Gauge Conversion & Doubling Projects during 2018-19, which is the ever highest progress so far in the history of Indian Railways.

The average per day commissioning of New Line, Gauge Conversion & Doubling projects has been 9.85 Km per day in 2018-19, which is highest ever progress, as, the same was only 4.1 Km per day during the period from 2004-14. Thus, per day commissioning during 2018-19 was 140% more w.r.t. that during 2004-14.

The Budget Outlay for New Line, Gauge Conversion & Doubling projects during 2018-19 was Rs. 30696 Crore, against which, the actual expenditure done by Railway was Rs. 30916 Crore. Thus, the expenditure done was more than funds allotted.

From the above, it is concluded that, all out sincere efforts have been done by Railway in achieving the targets w.r.t. the resources made available.

Commissioning of Railway line involves land acquisition by State Governments, forest clearance by officials of forest department, shifting of infringing utilities (both underground and over ground), statutory clearances from various authorities, encountering unforeseen conditions like earthquake, flooding, excessive rains, strikes of labor, order of Hon'ble Courts etc & all these factors affect the completion time and cost of the projects.

Thus, pace of execution of project & commensurate expenditure on a project is depending on large number of above mentioned factors, which themselves are sometimes interdependent, unpredictable in nature & differ from project to project, location to location as well.

During financial year 2019-20, 408 Km Gauge Conversion works could be commissioned and the same could have been more, but due to lock down in the Country due to COVID Pandemic, the construction & commissioning works suffered badly.

Nevertheless, all out sincere efforts have been & would be made by Indian Railways in early commissioning of Gauge Conversion Projects.

As on 01.04.2020, the executable gauge conversion is around 2200 Km & has been targeted for completion by financial year 2023-24.

Considering the funds allotted to Construction organizations, achievement of Construction Organizations over the previous years & the situation of COVID pandemic prevailing in the Country, the

targets of gauge conversion in 2020-21 have been made more realistic. However, all out sincere efforts are being made to expedite rate of commissioning in Indian Railways.

### **Recommendation (Para No. 17)**

The Committee note that during 2018-19, against a target of 4400 kms of track renewals, the achievement was 4181 kms while during 2019-20 , as against the target of 3900 kms, achievement was 3872 kms till January 2020. The targets for track renewals for 2020-21 have been set at 4000 kms. While appreciating this achievement, the Committee recommend that the Railways should accord highest priority to this sector and accelerate / sustain the healthy pace of track renewal currently set as it is central to sustainable operations of Railway network.

### **Reply of the Government**

Indian Railways accord highest priority for track renewal works. Against target of 3900 km of track renewal for the year 2019-20, 4500 km track renewal work has been carried out.

Railway tracks are replaced through Track Renewal Works, which is an ongoing process. Track Renewal Works are undertaken as and when a stretch of track becomes due for renewal on the basis of criteria laid down in Indian Railway Permanent Way Manual on age/condition basis viz. traffic carried in terms of gross million tonnes, incidence of rail fracture/failure, wear of rails, corrosion of rails, maintainability of track as per standards, etc. On Meter Gauge (MG) and Narrow Gauge (NG) tracks which are sanctioned for Gauge conversion, the track renewal works, if required, are undertaken after due consideration of progress of execution of gauge conversion.

Track Renewal Works are planned in advance every year and their execution is prioritized according to the condition of track and various other factors ensuring all the time that track is in a sound condition for safe running of trains. In case any stretch of track is not renewed in time due to various reasons, suitable speed restrictions, if required are imposed to ensure safe running of trains.

### **Recommendation (Para No. 18)**

The Committee are pleased to note that the Railways have accorded the highest priority to Railway electrification and they aim to achieve cent percent electrification of all broad gauge routes by 2023. However, during 2019 as against the revised targets of 6000 kms the achievement was 5276 kms. During 2019-20 as against the budget estimates of 7000 kms the revised estimate was reduced to 6000 kms. Till January 2020, the achievement was only 2881 kms. The Committee are apprehensive that achievement for 2019-20 may fall way short of the targets. As electrification would reduce the carbon footprint of the

Railways and also provide a more environment friendly and sustainable source of transportation besides causing financial savings, the Committee recommend that efforts be stepped up for achievement of targets commensurate with the objects so that the gains of electrification are truly accrued.

### **Reply of the Government**

To expedite electrification of railway lines in the country, steps taken includes award of Engineering Procurement and Construction (EPC) contracts, better project monitoring mechanism, delegating more power to field units for award of contracts/sanction of estimates and close monitoring at highest level. The pace which has been achieved in 2018-19 & 2019-20 shall be maintained in the coming years and the balance routes shall be commissioned by December, 2023 positively.

### **Recommendation (Para No. 19)**

The Committee find that since 2017 the finances of the Railways have been merged with the General budgets with the understanding that the Railways would meet its revenue expenditure from its revenue earnings and the Ministry of Finance would provide the GBS as usual for the Capex. The Committee also find that the merger has ensured continuity for Railways in maintaining their distinct entity as a departmentally run commercial undertaking and retaining functional autonomy and delegation of financial powers etc. Further, the merger has also reduced the procedural requirements involved in presenting a separate budget. The most important aspect has been the discontinuation of the payment of dividend by the Railways to the general exchequer on the capital-at-charge. The merger also has resulted in defrayment of costs by the Ministry of Finance for operational losses of strategic lines. The Committee feel that the extent of dividend liability relief to Railways can be utilized for various works of capital expenditure and it will allow the Ministry of Finance more elbow room for better allocation of resources. The Committee understand that unification of budget will now give Railways a chance to focus more on their core business, modernization and safety concerns while the Ministry of Finance will remain responsible for the GBS needs of Railways. The Committee are of the considered view that in order to reap the benefits of the merger, the Railways should make use of the available additional allocations on creation of assets and increase the net revenues of the Railways in order to cater to the financial needs of other deficit areas of Railways.

### **Reply of the Government**

Railways have embarked upon an ambitious investment plan on infrastructure with progressively higher capex. The thrust of the investment programme is on capacity augmentation projects like Dedicated Freight Corridors, doubling/quadrupling, electrification and modernization of signalling etc. Further, execution of projects have been prioritized based on the operational requirements so that completion of such projects give a significant boost to Railways' core business of freight and passenger and thereby to

revenues. The net financial relief to the extent of Rs. 5,000 cr per annum due to abolition of the dividend liability to General Exchequer has helped Railways to invest from internal resources. Railways would continue their endeavour in this regard.

### **Recommendation (Para No. 21)**

The Committee find that the Railways are planning to utilise the sides of Railway tracks as well as vacant Railway land for setting up solar panels for the generation of solar energy. The Committee are of the considered opinion that this is an excellent initiative and totally in sync with the goal of cent percent electrification of Railway tracks by 2023. Taking into account the importance of utilising sustainable and clean energy, the Committee recommend the Ministry to expeditiously work out the modalities and efficiently utilise the allocated funds so that the very purpose of this initiative is optimally achieved. The Committee would also like the Railways to ensure that such a unique and well-intended initiative should not be adversely affected by delays in fund allocation or other procedural rigmaroles.

### **Reply of the Government**

Indian Railway's plans to utilize its unused vacant Land parcels for setting up of Land Based Solar Plants for its traction power requirement as 'Green mode of transportation'.

The plants will be set up on unused vacant land. There is about 51,000 hectare of Railway land available. Initial survey of about 4500 Acre land is already carried out and is under different stage of processing. This land is capable of installing 1 GW of solar plants (1st Phase). Survey for another 4400 Acre of land is currently under way which will install another 1 GW of solar plants on Railway land (2nd Phase). Therefore, initially IR plans to setup 2 GW of land based solar plants in two phases.

The Solar power so generated will be fed to CTU/STU Grid or directly to 25 kV AC traction system. A proof of concept of feeding solar power directly to 25 kV AC traction system of 5 kVA capacity is already demonstrated. Further, to scale up 2 pilot projects of 2 MW at Diwana (Haryana) & 1.7 MW at Bina (M.P.) are already under different stages of execution. In addition to above, IR is also setting up a 50 MW Land Solar power plant at Bhilai, Chhattisgarh which is likely to be commissioned by Jan'2021.

#### **Mode of Funding:**

The land based solar plants so setup will be executed under sum total of various models like Renewable Energy Service Company (RESCO)/Developer mode, Central Public Sector Undertaking (CPSU) scheme etc, based on Indian Railways need, State regulations, Open Access status of Indian Railways in different States, etc.



**CHAPTER – III**

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

**-NIL-**

## **CHAPTER – IV**

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

#### **Recommendation (Para No. 3)**

The Committee note that the BE of the Ministry for the year 2019-20 was Rs.160176 cr which was reduced at RE to Rs. 156352 cr while the actual expenditure (up to 30 January 2020) was only to the tune of Rs.1,25,418 cr. Similarly, during the year 2018-19, while the RE was scaled down to Rs.1,38,858 cr, the actual utilization was Rs.1,33,377 cr. During the year 2017-18 though the RE was Rs.1,20,100 cr, the actual achievement was only Rs.1,01,985 cr. Thus, the financial performance of the Railways during the past three consecutive years reveal that even the reduced allocation at the RE stage could not be fully utilized. The Committee take note of the Ministry's assurance that they are embarking upon a number of measures which, inter alia , include electrification, new lines, gauge-conversion, doubling/tripling etc. for maximum utilization of funds during 2020-21. The Committee trust that the Railways would be able to honour their assurances by intensifying the proposed measures and optimally utilising the 2020-21 BE provisions of Rs.1,61,042 cr. The Committee feel that by virtue of maximum achievement in the fund utilization, the Railway would be on a stronger footing in availing the proposed amount from the Ministry of Finance at RE stage.

#### **Reply of the Government**

Lesser utilization of capex against RE allotments in previous three years were mainly due to lesser expenditure under internal resource and EBR segments of capex. While the shortfall under internal resource segment was on account of lesser internal resource generation resulting from sharp rise in staff cost and pension pursuant to 7th pay commission implementation and less than expected traffic earnings, lesser expenditure under EBR was due to reduction in requirement under Market borrowing projected by the Zonal Railways and lesser investment in partnerships projects. However, all efforts would be made to achieve the Capex target of BE 2020-21.

#### **Recommendation (Para No. 4)**

The Committee are concerned to note that over the years, there has been a sharp decline in the generation of internal resources by the Railways which has resulted in greater dependency on Budgetary Support and on market borrowings which do not help in the long term. To illustrate, the contribution of

Internal Resources to total Capital Outlay was Rs.12125 cr or 11.03% in 2016-17 which was reduced to Rs.3070 cr or 3.1% of the total outlay in 2017-18. The trend was repeated in 2018-19 with only 3.5% of the budget being financed through the internal resources share of Rs.4663 cr. The situation became even more acute with only 3.2% or Rs.5000 cr being kept for internal resources in RE 2019-20. For 2020-21, the target is an ambitious Rs.7500 cr or 4.6% of the budget. The main reasons attributed for this decline in internal resources are shortfalls in passenger, freight and sundry earnings. The impact of the 7 th Pay Commission has also contributed significantly to this downturn. The Committee feel that the persistent decline in internal revenue generation is a pointer towards some inherent deficiencies in the overall planning and management. As a matter of fact, despite availability of adequate Government support and infusion of funds via market borrowings, the inability of the Railways to generate adequate resources is a matter of serious concern. Taking into account various measures initiated by the Railways to leverage internal resource generation, the Committee impress upon the Ministry to escalate their efforts in this direction so as to ensure requisite revenues for carrying out the intended objectives.

### **Reply of the Government**

The Ministry is equally concerned over the decline or less than desired growth in traffic earnings in recent years and has continuously been taking measures to accelerate the growth. Apart from short term measures aimed at enhancing passenger and freight traffic by making them attractive vis-a-vis other competitive modes, Railways have embarked upon a massive investment programme for enhancing capacity and throughput such as doubling, DFC, electrification, modernization of signaling etc which are expected to improve capacity, market share in freight and passenger business and thereby revenue generation.

### **Recommendation (Para No. 8)**

The Committee note that in 2016-17, while EBR financed around 48% of the total budget, this increased sharply to 54.4% in 2017-18. The trend has continued in subsequent years too. The Committee find that the total lease payment to IRFC as principal component and payment of interest is estimated at a huge amount of Rs.26,160 cr for BE 2020-21. While realizing that internal resources of the Railways have considerably shrunk and GBS can provide funds up to a certain extent only, the Committee appreciate the compulsion of the Railways for depending upon institutional finance to fund important rail infrastructure. In other words, a decline in generating adequate internal resources has forced the Railways to fund their capital expenditure through GBS and EBR. However, the Committee impress upon the Ministry to take into account the fact that an increased reliance on borrowings, which entail interest payment, could further exacerbate the overall financial situation of the Railways. Prudence, therefore, requires that Railways have

to make earnest efforts towards substantial enhancement of internal revenue generation so that over-reliance on the borrowings component of EBR is gradually reduced.

### **Reply of the Government**

Railways need huge investment for capacity expansion so as to remain competitive with other modes of transport and also to facilitate the growth requirements of the economy. Hence, fund constraints should not hinder the growth of Railways. Though the GBS from the Government has substantially grown over the years, the same alone can not cater to the investment needs of Railways. Hence, EBR (market borrowing) is being looked at as an assured source of funding for railways' capex. However, Railways are conscious of the debt servicing liabilities that are associated with market borrowings and are deciding on the amounts in consultation with the Ministry of Finance. Though efforts are being made on a continuous basis to enhance internal resource generation, in the immediate future, it is unlikely that there would be adequate internal resources to replace market borrowing substantially. The Ministry would however keep in view the concerns of Hon'ble Committee while deciding the level of market borrowings.

### **Recommendation (Para No. 14)**

The Committee note there has been a definitive push for network expansion and modernisation in the BE 2020-21. The Committee are however disheartened to note that during 2018-19, for construction of new lines the achievement was 479 kms as against the target of 1000 kms indicating a shortfall of more than 50%. The Committee further find that Budget target for 2019-20 was halved from 2018-19 to 500 kms which was revised to 400 kms at RE stage. The actuals as of Jan. 2020 were 278 kms. The Committee are of the view that downward revision of the Plan allocations require reworking of priorities and rescheduling of activities which ultimately lead to tardy progress. The Committee therefore, call upon the Ministry to review all the pending projects for New Lines considering their economic viability, critical importance, etc., and prepare an action plan to implement them in a definite time frame so that these projects are completed expeditiously.

### **Reply of the Government**

In the year 2018-19, Indian Railways had targeted commissioning of 1000 km of New Line However, commissioning of New line has been 479.54 km. The reasons for shortfall of achievement is enumerated as under:-

Railway Board gives quite optimistic targets to Zonal Railways in the beginning of the year, so that, Zonal Railways can achieve higher progress. Indian Railways achieved commissioning of 3596 Km of New Line, Gauge Conversion & Doubling Projects during 2018-19, which is the ever highest progress so far in the history of Indian Railways.

The average per day commissioning of New Line, Gauge Conversion & Doubling projects has been 9.85 Km per day in 2018-19, which is also highest ever progress, as, the same was only 4.1 Km per day during the period from 2004-14. Thus, per day commissioning during 2018-19 was 140% more w.r.t. that during 2004-14.

Also, commissioning of New Line during 2014-19 was 3035 Km against 1727 Km during 2009-14, which is 176% of 2009-14.

The Budget Outlay for New Line, Gauge Conversion & Doubling projects during 2018-19 was Rs. 30696 Crore, against which, the actual expenditure done by Railway was Rs. 30916 Crore. Thus, the expenditure done was more than funds allotted.

From the above, it is concluded that, all out sincere efforts have been done by Railway in achieving the targets w.r.t. the resources made available.

Commissioning of New Railway line involves land acquisition by State Governments, forest clearance by officials of forest department, shifting of infringing utilities (both underground and over ground), statutory clearances from various authorities, encountering unforeseen conditions like earthquake, flooding, excessive rains, strikes of labor, order of Hon'ble Courts etc & all these factors affect the completion time and cost of the projects.

However, due to enactment of new land acquisition Act of 2013, the land acquisition became a daunting task & extremely time consuming activity. Similarly, time taken in forest clearances was much more than anticipated, leading to slow progress.

In addition, there have been large number of cases of local resistance against the land acquisition for new line projects, leading to delay.

Thus, pace of execution of project & commensurate expenditure on a project is depending on large number of above mentioned factors, which themselves are sometimes interdependent, unpredictable in nature & differ from project to project, location to location as well.

Nevertheless, all out sincere efforts have been & would be made by Indian Railways in early commissioning of New Line & Gauge Conversion Projects.

Considering the funds allotted to Construction organizations and achievement of Construction Organizations over the previous years, the targets of new line doubling and gauge conversion in 2019-20 were made more realistic to match with the rate of commissioning over the years.

However, all out sincere efforts are being made to expedite rate of commissioning of projects in Indian Railways & review, of projects is a continuous process & is being done regularly depending upon the site conditions & resources made available.

## **CHAPTER – V**

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

#### **Recommendation (Para No. 20)**

The Committee find that the Indian Railways would be implementing a new initiative called Kisan Rail with a view to increase their presence in the agricultural and animal products market. They find that the Ministry is mooting the use of refrigerated vans and special containers for quick transportation of such products. The Committee understand that perishables such as meat, poultry and fish as well as agricultural products need a quicker turnaround time in their transportation as well as controlled environment to retain their value. The Committee, therefore, recommend that the Railways should make earnest efforts for implementation of this initiative as it would help the farmers and other stakeholders get a better remuneration for their produce while reducing wastage and distress sales of such products due to lack of storage and refrigeration facilities.

#### **Reply of the Government**

Under Kisan Rail as announced in Union budget 2020-21, transportation of agro products and perishable is being planned. A Committee to take follow up action has been formulated for this purpose by Ministry of Agriculture and Farmers Welfare, with representation also from Ministry of Railways.

#### **Recommendation (Para No. 22)**

The Committee find that the Ministry is planning to leverage PPP funds for the redevelopment of four stations and operation of 150 passenger trains. They further find that the modalities of the Project is currently being worked out. The Committee feel that this step may leverage the Railways finances from expansion and modernization of rail services. The Committee, therefore, recommend the Ministry to work out the procedures of funding, execution and implementation of the Project in a timebound manner so that the purpose is well-served.

#### **Reply of the Government**

A Group of Secretaries has been constituted for redevelopment of 50 Stations. The Group of Secretaries consists of the following:-

- 1) Chief Executive Officer, NITI Aayog — Chairman
- 2) Chairman, Railway Board — Member
- 3) Secretary, Department of Economic Affairs – Member Ministry of Finance

- 4) Secretary, Ministry of Housing & Urban Affairs - Member
- 5) Financial Commissioner (Railways) - Member

Member (Engineering), Railway Board and Member (Traffic), Railway Board are the co-opted Members for their respective projects. The Group of Secretaries is monitoring the bidding process.

As per Group of Secretaries (GoS) recommendations, station Redevelopment projects are to be taken up on PPP mode and IRSDC/RLDA may apply for Infrastructure Project development fund from Department of Economic Affairs/ Ministry of Finance, as per extant rules.

Ministry of Railways have constituted a Group of Secretaries (GoS) inter-alia, to advise on the terms and conditions for operation of trains 150 train services by Private Operators, over Indian Railways network. The draft Concession Agreement outlining the rights and obligations of Indian Railways has already been uploaded to the websites of Niti Aayog and Indian Railways, for comments from stake holders. Going forward, Indian Railways, on 1st July, 2020, have floated the Request For Qualification (RFQ) thereby initiating the bidding process. Efforts are on to accomplish the task in a time bound manner.

New Delhi;  
02 February, 2021  
13 Magha, 1942 (Saka)

**RADHA MOHAN SINGH**  
**Chairperson**  
**Standing Committee on Railways**

**MINUTES OF THE SECOND SITTING OF THE STANDING COMMITTEE ON RAILWAYS (2020-21)**

The Committee sat on Wednesday, the 25<sup>th</sup> November, 2020 from 1500 hrs. to 1515 hrs. in Committee Room No. 2, Block-A, PHA Extension Building, New Delhi.

**PRESENT**

**Shri Radha Mohan Singh - Chairperson**

**MEMBERS**

**LOK SABHA**

2. Shri T. R. Baalu
3. Shri Kaushalendra Kumar
4. Shri Sunil Kumar Mondal
5. Shri Mukesh Rajput
6. Shri Sumedhanand Saraswati
7. Shri Arvind Ganpat Sawant
8. Shri Gopal Jee Thakur

**RAJYA SABHA**

9. Ms. Saroj Pandey
10. Shri Bashistha Narain Singh

**SECRETARIAT**

1. Shri D.R. Mohanty - Addl. Director
2. Shri Ram Lal Yadav - Addl. Director

2. xxxx                                  xxxx                                  xxxx                                  xxxx

3. Thereafter, the Committee took up for consideration the draft Report on Action taken by the Government on the recommendations/ observations of the Committee contained in their 2nd Report on "Demands for Grants (2019-20) of the Ministry of Railways" and 3rd Report on "Demands for Grants (2020-21) of the Ministry of Railways".

4. After some discussions, the Committee adopted the above-mentioned draft Reports without any modification.



5. The Committee then authorized the Chairperson to finalise the Reports and present the same to Parliament.

**The Committee then adjourned.**

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE  
RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE 3<sup>RD</sup> REPORT  
(17<sup>TH</sup> LOK SABHA) ON "DEMANDS FOR GRANTS (2020-21) OF THE MINISTRY OF RAILWAYS"**

Total number of Recommendations/Observations	22
(i) Recommendations/Observations which have been accepted by the Government –	
Para Nos. 1,2,5,6,7,9,10,11,12,13,15,16,17,18,19 and 21	16
Percentage of total	72%
(ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies –	
Para No. NIL	NIL
Percentage of total	00%
(iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration –	
Para Nos. 3,4,8 and 14	04
Percentage of total	18%
(iv) Recommendations/Observations in respect of which final replies are still awaited -	
Para No. 20 and 22	02
Percentage of total	10%