

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION NO. 707
TO BE ANSWERED ON 20.12.2017**

DEBROY COMMITTEE

707. SHRI RAJENDRA AGRAWAL

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Government is considering to accept the recommendations of Debroy Committee;**
- (b) if so, the details thereof;**
- (c) whether the Government has fixed any time frame to implement the said recommendations; and**
- (d) if so, the details thereof?**

ANSWER

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS

(SHRI RAJEN GOHAIN)

- (a)&(b) Yes, Madam. The details of the recommendations of Debroy Committee along with the status is appended in Appendix.**
- (c)&(d) Some recommendations have already been implemented and the remaining are under consideration. No specific time limit is fixed.**

APPENDIX REFERRED TO IN REPLY TO PART (a) AND (b) OF UNSTARRED QUESTION NO. 707 BY SHRI RAJENDRA AGRAWAL TO BE ANSWERED IN LOK SABHA ON 20.12.2017 REGARDING DEBROY COMMITTEE.

(a) & (b) : The details of the recommendations of Debroy Committee along with status are as under :

S. No	Recommendation details	Status
1.	Off-line activities such as Medical, Security, Schools should be separated from IR's core business i.e. running trains. State Governments should bear the entire cost, not just 50% for the GRP.	A decision to off load the above off-line services has to be taken by the Board on the merit of the case which needs to be mooted by the concerned policy holding Dtes. like Health Services, Security and Welfare. However, if these activities are off-loaded, a saving of more than ₹8562 Cr can be achieved as the Railways are spending ₹2670 Cr on Medical facility, ₹1123 Cr on Educational facility and ₹ 4769 on Security.
2.	Railway Board to function like Corporate Board for IR- Policy by MoR, competition to be ensured by RRAI	Partially acted upon.
3.	Board Members and GMs should have at least three (3) years service left	A residual service of one year has been laid down for the posting of Members of Railway Board, FE/Rlys. And Chairman, Railway Board. (ii) A residual service of 2 years has been laid down for the post of GMs and equivalent.
4.	Re-organise Group-A services into 2 streams - Logistics & Technical and merging of Railway Board Secretariat Services(RBSS) with Central Secretariat Services (CSS).	Under Examination.
5.	Re-organization/rationalisation of Zones and Divisions to	Under Examination.

	reduce their total numbers	
6.	Empowerment of General Managers of Zonal Railways - Full powers for expenditure, re-appropriations and sanctions, subject to meeting earnings targets. Zones should become independent and autonomous and may even compete among themselves.	As regards re-appropriations, Board has recently issued relaxation in the delegation of powers of re-appropriation to General Managers on 16.02.2017, whereby the Zones are now empowered to re-appropriate any amount of fund from one work to another, within same plan head and within same source of funds. Further relaxation of these powers is under consideration of Board.
7.	Decentralisation to Division level; Divisions to be treated as independent business unit and DRMs to be empowered for handling all types of tenders of the division.	Partially acted upon.
8.	Integrate and synergise works such as cleaning, IT initiatives, etc.	Acted upon.
9.	Zonal Construction organisations to be brought under umbrella of one or more PSUs like RVNL, IRCON	Presently there is no such issue under consideration.
10.	Setting up of an independent Rail Regulator-separate budget and independent of MoR; with powers of regulation of tariff, safety, fair access, service standards, licensing/enhancing competition and technical standards; Regulator will have quasi judicial powers.	After approval by the Cabinet, resolution for setting up of Rail Development Authority(RDA) has been notified on May 08, 2017. The process for selection and appointment of Chairman and Members has also been initiated. RDA has been envisaged as an advisory/recommendatory body.
11.	Implementation of account reforms within 2 years	Ministry of Railways has embarked upon Accounting Reforms Project wherein Accrual Accounting is now being rolled out on all Indian Railways to prepare its financial statements on

		Accrual basis in addition to cash based Financial Statements. In addition pilot studies on Performance Costing and Outcome Budgeting are also initiated on Northern Railway.
12.	Board Members and GMs should have at least three (3) years service left a. Setting up of Indian Railway Manufacturing Company (IRMC) b. Rail Budget to be phased out c. Bifurcation of Infrastructure & Operations.	Partially acted upon.
13.	Central Government review of the dividend policy of IR; GBS net of the dividend payment to be given to IR to enable more money for DRF. For National projects and projects on cost sharing basis, there should be clear bearing of the subsidy burden between the Union and State Governments.	One of the stipulations of the merger of Railway Budget with the Union Budget, which has come into effect from 2017-18, is that the entire capital at charge has been written off and the dividend liability has been waived off. Resulting in implementing the recommendation. As regards sharing of subsidy, burden between the Union and the State Governments for national projects and projects on cost sharing basis, the matter, which need to be part of the initial agreement between the concerned parties, is yet to be considered.
14.	External borrowings should be received directly by Railway PSUs and not through IR.	Under Examination.
15.	The Regulator should determine extent of PSO through a consultative regulatory process to separate social objectives/costs from commercial considerations.	The items indicated alongside are within the purview of RDA.
16.	Non-lapsable Safety Fund	A non-lapsable Safety Fund by the

	funded through safety surcharge with matching budgetary grant support.	name of 'Rashtriya Rail Sanraksha Kosh'(RRSK) has been created 1.4.2017. The Kosh is to get a funding of ₹ 1 lakh cr in 5 years comprising of ₹ 75,000 cr from MoF and the balance to be contributed by the Railway.
17.	Freight rates should be left to market principles; freight related social costs should not be imposed on IR	At present, Central Government is vested with the power to fix the rates for passenger and freight services. Now, as per announcement of MR in his Budget speech, it has been envisaged that the proposal Rail Development Authority (RDA) will inter-alia also entrusted with the task to determine the tariff. Therefore, the proposed RDA will take care of this recommendation.
18.	Suburban railway should be hived off to State Governments through JV route.	Acted upon.
19.	Passenger concessions can be met by other channels of Union Government, like Ministry of Education(Students Concession), Ministry of Sports(Sportspersons).	Under Examination
20.	To provide subsidy to passengers, Aadhar numbers to be linked with passenger tickets.	Under Examination
21.	Need to improve internal resource generation, explore varied methods of financing and to improve utilisation of available resources.	A new source of funding viz. Extra-Budgetary Resources /Institutional Finance (RBR-IF in short) has been introduced with effect from FY 2015-16. It is envisaged to mobilize funds to the tune of ₹ 1.5 Lakh crore through EBR(IF) for financing Railway projects over a period of five years (2015-16 to 2019-20). EBR-IF funds are being

		<p>utilized in mostly Doubling and Electrification projects. The Ministry of Railways signed a Memorandum of Understanding (MOU) with the Life Insurance Corporation of India (LIC) on 11th March 2015 whereby LIC has agreed to provide funding assistance to the tune of ₹1,50,000 Crore over a five year period from 2015-16 to 2019-20 for financing Railway projects.</p>
<p>22</p>	<p>Smaller languishing projects should be fully funded so as to finish all of them in 2 years time; any project which cannot be completed in that time should not be given any funding.</p>	<p>Funds to individual Railway Projects are allotted on yearly basis depending upon operational requirement, availability of resources, relatives priority and progress made on individual project. Most of the projects are completed in phases so as to reap benefit of investment. Therefore, targets for completion of Railway Projects are decided annually and execution taken up.</p>
<p>23</p>	<p>Increase in productivity is possible from better utilisation of existing capacity and assets to improve operating and scheduling practices</p>	<p>Efforts to increase the productivity of the existing capacity of asset is a continuous exercise and various initiatives in the passenger and freight segment have been taken. (i) Increase the passenger capacity by introduction of 24 coach trains and upgrading the existing trains to 24 train coaches. (ii) Introduction of 16 coach length EMU/DMU in production of new wagons with higher pay load tare ratio. (iii) New design introduced of freight wagon with higher through put per rake to achieve better utilization of existing infrastructure. (iv) Improving the capacity of maintenance infrastructure by gradually outsourcing of activities not directly related to train safety and technology. (v) Introduction of</p>

		<p>improved infrastructure facilities in rolling stock maintenance facilities and upgradation of existing for improving the reliability, availability and safety of trains.</p>
24	<p>IR should focus on remunerative freight segments and e-commerce segment which has been so far untapped by IR.</p>	<p>Under Examination.</p>
25	<p>IR must encourage on-board catering to large food chains and local restaurants, leasing of parcel vans in trains through auction, private parcel trains, dedicated parcel terminals and parcel express trains with minimum composition of 15 vans to be leased.</p>	<p>E-Catering has been introduced for widening the range of options available to passengers for ordering food of their choice. Initially, e-catering service was train specific and available in 1350 trains without Pantry car or Train Side Vending. As a major initiative, in Sept.2015, this scheme was re-oriented to make it Station based and a pilot project was undertaken on major stations and subsequently extended to all A-1 & A category stations. E-catering service is now available at 310 stations with an average supply of 7000 meals per day. Passengers can pre-order meal at the time of booking of e-ticket or while travelling on train using App/website/by calling 1323.</p>
26	<p>Concession commercial operation of train like Rajdhani/Shatabdi for a upfront/annual premium; private operator will have freedom on pricing of tickets for a portion of the capacity.</p>	<p>Under Examination.</p>
27	<p>Integration of all policies like OWS, WIS, LWIS, CTOs, PFTs, etc into a single comprehensive policy after extensive stakeholder consultations.</p>	<p>Integration of all wagon investment policies like OYWS, WIS, LWIS, CTOs, PFTs etc. into a single comprehensive policy cannot be adhered to as all the policies are tailor made as per the</p>

	Increase the tenure of policy to at least 40 years.	requirement of each segment of Railway users. These policies are being reviewed periodically and modified thereon the basis of the demand and requirement of investor of each segment being received during interaction meetings and other representations during practical complications. Efforts were also made to introduce investment by Private Investors in General Purpose Wagons, however, investments were concentrated in specific segments and area creating stagnation. This created the idea of inviting private investment in special purpose wagons and high capacity wagons. Thus catering the needs of the low volume, bulk commodity movement which requires special type of wagons.
28	Ownership of general purpose wagons including coal, coke, ore etc. to private sector	An MoU has been signed between Coal India Ltd. On behalf of Min. of Coal and Min. of Railways has been signed for investment of General purpose Wagon for movement of coal by Coal India Ltd.
29	Rationalise/make customer friendly the RDSO processes of procurement of new wagons, clearance of wagon design	Recent initiatives towards improving the RDSO process for procurement of new wagons and clearance of wagons and clearance of wagon designs. (i) Approval process on manufacturers being procured through vendor portal for applications and approvals. (ii) IT based monitoring of quality assurance procedures followed by manufacturers.
30	Single window clearance for approval of construction of ICDs/PFTs	Under Examination.
31	Setting up of an Investment Advisory Committee of experts,	Partially acted upon.

	<p>investment bankers, etc. to help raise resources for investment. Existing assets of IR to be leveraged to raise resources and institutions created like InvIT, NBFCs.</p>	
32	<p>Projects before 2000 with a financial progress ration of less than 25% and projects between 2000 to 2007 with less than 10% financial progress should be considered for discontinuance. Projects initiated before 2000 should be re-evaluated both sanctioned cost and for cost to completion; those with a high ration of cost to competition to sanctioned cost should be considered for discontinuance.</p>	<p>Zonal Railway have been advised that for the purpose of execution, large projects can be divided in phases by GMs after ensuring that each phase on completion yields commercial returns for Railways, subject to availability of land in a reasonable time frame and a written assurance from the State Government in this regard can be considered by General Managers. Projects where local support/State support is not forthcoming resulting in poor/nil progress as well as old projects that have not made any headway or projects that are unlikely to give any tangible benefits to the Railways would need to be continuously reviewed. Such reviews may be carried out in structured quarterly meetings to be convened by the GMs.</p>
33	<p>Make private sector, both foreign and domestic entry in IR more attractive and viable by changing the existing norms.</p>	<p>The items indicated alongside are within the purview of RDA.</p>
34	<p>BWEL should be either revived or closed down, while BSCL and BCL should be brought under one of the existing production units.</p>	<p>Under Examination.</p>
35	<p>Switch towards e-tendering with emphasis on long duration rate contracts at</p>	<p>All supply tenders by Stores Department are invited as e-tenders on publically accessible e-portal i.e.</p>

	divisional/zonal levels.	www.ireps.gov.in. Enabling instructions were issued by Railway Board vide policy instruction No. RS(M)/2012/CPPP dated 29/06/2015. Further, to implement Long Duration Rate Contracts at Divisional/Zonal Railways, enabling instructions have been issued by Railway Board vide policy instruction No. 2010/RS(G)/779/9 dated 08/01/2016 and policy instruction No. 2016/RS(M)/PACE/Pt-1 dated 05/07/2017.
36	All 'A1' and 'A' type stations should be manned by ex-cadre gazetted officers as Station Managers having a tenure of at least two years.	Under Examination.
37	NAIR should be assigned the status of University for in service training and also for imparting education/training in the field of management offering specializations in the various areas like HR, Finance, Marketing, Communications, Branding, Logistics, Transport Management etc.	Under Examination.
38	DFCCIL should give non-discriminatory access to IR and private operators.	The items indicated alongside are within the purview of RDA.
39	Some earnings of the divisions should be retained at the level of the division to be spent on specific purposes. ADRMs should be an explicit part of administrative chain.	In the present mechanism, the earnings are accounted for Zone-wise and are pooled to arrive at the earnings of Indian Railway. Similarly, the Zones are allotted expenditure (Revenue or Capital) based on their requirement after a due process involving the approval of the Parliament. Allotment of expenditure to the Divisions are

		<p>however made by the Zones out of the allotments made to each. Thus, neither the Zones nor the Division can be allowed to retain the earnings on their own but have to be allotted funds through due process.</p> <p>Secondly, the Indian Railway system being such where certain Zones for reasons of their geographical location, state of industrialization/commercial/business activity, are not placed evenly in respect of traffic earnings which are apportioned amongst the railways on the basis of traffic carried/traversed on the respective system but have a fixed element of operating expenses to run the system, the allotment of expenditure to each Zone cannot necessarily be correlated to its earnings.</p> <p>However, allotting funds to Zones/Divisions in the light of their earnings for spending on specific purposes is a larger policy matter to be examined at the highest level in Board and decided.</p>
40	<p>IR should have a vibrant performance assessment system driven by enhanced objectivity and transparency. IR should institutionalize credible, transparent and fair mechanisms for recognition and award of excellence in the organisation.</p>	<p>Under Examination.</p>
