

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION NO. 2260
TO BE ANSWERED ON 04.03.2020**

COMMITTEE TO MOBILIZE RESOURCES

†2260. SHRI RAMESH CHANDER KAUSHIK:

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the railway Board has constituted a Committee in the year 2014 to mobilize resources for major railway projects and to reconstitute the Railway Board;**
- (b) if so, the present status of the said Committee;**
- (c) whether the Government has accepted the recommendations of the Committee; and**
- (d) if so, the details thereof?**

**ANSWER
MINISTER OF RAILWAYS AND COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)**

- (a): Yes, Sir. Ministry of Railways had constituted a Committee in 2014 on mobilization of resources for major Railway projects and Reorganisation of Ministry of Railways and Railway Board under the chairmanship of Shri Bibek Debroy.**
- (b): The committee had presented its report and recommendations to Ministry of Railways in June 2015.**
- (c): Some of the recommendations have already been implemented and the remaining are under consideration. No specific time limit is fixed.**
- (d): The details of the recommendation of the Committee along with the status are appended.**

APPENDIX REFERRED TO IN REPLY TO PART (d) OF UNSTARRED QUESTION NO. 2260 BY SHRI RAMESH CHANDER KAUSHIK TO BE ANSWERED IN LOK SABHA ON 04.03.2020 REGARDING COMMITTEE TO MOBILIZE RESOURCES

(d): The details of the recommendations of Debroy Committee 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.	Outsourcing of non-core activities is being done on a need basis.
2.	Railway Board to function like Corporate Board for IR-Policy by MoR, competition to be ensured by RRAI	Partially acted upon. Resolution for setting up of Rail Development Authority(RDA) has been notified. RDA has been envisaged as an advisory/recommendatory body. This will be operationalized after selection and appointment of Chairman and Members.
3.	Board Members and GMs should have at least three (3) years service left	<p>(i) A residual service of one year has been laid down for the posting of Members of Railway Board, Financial Commissioner and Chairman, Railway Board.</p> <p>(ii) A residual service of 2 years has been laid down for the post of GMs and equivalent.</p>
4.	Re-organise Group-A services into 2 streams - Logistics & Technical and merging of Railway Board Secretariat Services(RBSS) with Central Secretariat Services (CSS).	Government in December 2019 has approved, inter alia, creation of a new Group-A central service called Indian Railway Management Service (IRMS), unification of existing 8 organized services into IRMS and reorganization of Railway Board. The modalities will be finalized in consultation with DOP&T and approval of Alternative mechanism. Merging of Railway Board Secretariat

		Services (RBSS) with Central Secretariat Services (CSS) is under examination.
5.	Re-organization/rationalisation of Zones and Divisions to reduce their total numbers	Under Examination.
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 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. Significant autonomy and empowerment has been given to zones since 2017 by way of delegation of administrative and financial powers.
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. Significant autonomy and empowerment has been given to zones since 2017 by way of delegation of administrative and financial powers.
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	After approval by the Government, resolution for setting up of Rail Development Authority(RDA) has been notified in May 2017. RDA has been envisaged as an advisory/recommendatory body. This will be operationalized after selection and appointment of Chairman and Members.

	competition and technical standards; Regulator will have quasi judicial powers.	
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.	a. Setting up of Indian Railway Manufacturing Company (IRMC) b. Rail Budget to be phased out c. Bifurcation of Infrastructure & Operations.	Partially acted upon. Railway Budget has been merged with the General Budget
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.	After merger of Railway Budget with the Union Budget, w.e.f 2017-18, there is no dividend liability any more. 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.	Two recent World Bank loans have gone directly to Dedicated Freight Corridor Corporation of India Limited (DFCCIL) and not through Indian Railways.
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 which has been notified in May 2017.
16.	Non-lapsable Safety Fund	A non-lapsable Safety Fund by the name of

	funded through safety surcharge with matching budgetary grant support.	‘Rashtriya Rail Sanraksha Kosh’(RRSK) has been created on 1.4.2017. The Kosh is to get a funding of Rs. 1 lakh crore in 5 years comprising of Rs. 75,000 crore from Ministry of Finance and the balance to be contributed by the Ministry of Railways.
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 in the Budget speech, it has been envisaged that the proposal Rail Development Authority (RDA) will inter-alia be 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 (EBR-IF in short) has been introduced with effect from FY 2015-16. EBR-IF funds are being utilized in mostly Doubling and Railway Electrification. Ministry of Railways has signed a Memorandum of Understanding (MOU) with the Life Insurance Corporation of India (LIC) to provide funding assistance to the tune of Rs. 1,50,000 Crore over a five year

		<p>period from 2015-16 to 2019-20 for financing Railway projects.</p>
22	<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, relative 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>
23	<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 assets are a continuous exercise and various initiatives in the passenger and freight segments have been taken up. These include: (i) Increase of 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) Introduction of new design 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 and (v) Introduction of 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>Accepted. Focus is on growing e-commerce and parcel business.</p>
25	<p>IR must encourage on-board catering to large food chains and local restaurants,</p>	<p>E-Catering has been introduced in majority of the trains for widening the range of options available to passengers for</p>

	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.	ordering food of their choice. Passengers can pre-order meal at the time of booking of e-ticket or while travelling on train using App/website/by calling 1323.
26	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.	“Tejas” trains run by Indian Railway Catering and Tourism Corporation (IRCTC) have been started on two routes namely Delhi-Lucknow and Mumbai-Ahmedabad. There is a plan to introduce 150 trains through private operators.
27	Integration of all policies like OWS, WIS, LWIS, CTOs, PFTs, etc into a single comprehensive policy after extensive stakeholder consultations. Increase the tenure of policy to at least 40 years.	Integration of all 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 requirement of each segment of Railway users.
28	Ownership of general purpose wagons including coal, coke, ore etc. to private sector	A new scheme for attracting private investment in ownership of general purpose wagons has been introduced.
29	Rationalise/make customer friendly the RDSO processes of procurement of new wagons, clearance of wagon design	Several initiatives have been taken towards improving the RDSO process for procurement of new wagons and clearance of wagons and clearance of wagon designs. These include the following :(i) Approval process on vendor portal (ii) IT based monitoring of quality assurance procedures followed by manufacturers etc.
30	Single window clearance for approval of construction of ICDs/PFTs	Acted upon.
31	Setting up of an Investment Advisory Committee of	Partially acted upon.

	<p>experts, 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>The projects sanctioned under multitracking, new lines, gauge conversion etc. have been reviewed and prioritised as super critical and critical projects based on traffic requirement and the progress achieved in commissioning these projects. The focus in terms of allocation of funds and resource mobilisation is being directed as per above priority.</p>
33	<p>Make private sector, both foreign and domestic entry in IR more attractive and viable by changing the existing norms.</p>	<p>These items indicated 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 divisional/zonal levels.</p>	<p>All supply tenders are invited as e-tenders on publically accessible e-portal i.e. www.ireps.gov.in. Policy on Long Duration Rate Contracts at Divisional/Zonal Railways, and enabling instructions has been issued by Railway Board.</p>
36	<p>All 'A1' and 'A' type stations should be manned by ex-cadre gazetted officers as</p>	<p>Acted upon</p>

	Station Managers having a tenure of at least two years.	
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.	National Rail Transportation Institute (NRTI), a deemed University, has been operationalized at Vadodara from September 2018.
38	DFCCIL should give non-discriminatory access to IR and private operators.	This has been incorporated in the concessional agreement.
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 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.
40	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.	New performance appraisal system has been introduced on the basis of DOP&T's instructions.