

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS**

**LOK SABHA
UNSTARRED QUESTION NO. 1791
TO BE ANSWERED ON 21.09.2020**

REFORMS IN RAILWAY ADMINISTRATION

1791. SHRI NATARAJAN P.R. :

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Government has taken a decision to bring reforms in Railway administration and operations in the recent past;**
- (b) if so, the details thereof;**
- (c) the reasons for undertaking such reforms and measures along with the objectives aimed at through such reforms; and**
- (d) the time by which these are likely to come into effect?**

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

(a) to (d): Yes, Sir. Ministry of Railways had constituted a Committee in 2014 under the chairmanship of Shri Bibek Debroy on bringing reforms in Railway administration and operations through mobilization of resources for major Railway projects and Reorganisation of Ministry of Railways and Railway Board. The Committee had presented its report and recommendations to Ministry of Railways in June 2015.

Some of the recommendations have already been acted upon/partially acted upon and the remaining are under examination. The details of the recommendations of the Committee along with the status are appended

APPENDIX- REFERRED TO IN REPLY TO PARTS (a) TO (d) OF UNSTARRED QUESTION NO. 1791 BY SHRI NATARAJAN P.R. TO BE ANSWERED IN LOK SABHA ON 21.09.2020 REGARDING REFORMS IN RAILWAY ADMINISTRATION

(a) to (d): 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.	Outsourcing of non-core activities is being done on a regular basis.
2.	Railway Board to function like Corporate Board for IR- Policy by MoR, competition to be ensured by RRAI	Partially acted upon. Railway Board has been re-organised on functional lines. Resolution for setting up of Rail Development Authority(RDA) has been notified. RDA has been envisaged as an advisory/recommendatory body which is yet to be operationalized. However in the context of the limitation, being advisory in nature, a regulatory mechanism with statutory backing is being considered to meet the requirement of changing scenario like private passenger train operators and other public private partnership ventures. Accordingly a study is being undertaken.
3.	Composition of Board should be a) Member Traction and Rolling stock; b) Member Passenger and Freight Business; c) Member HR and Stores; d) Member finance and PPP; e) Member Infrastructure and two outside and independent experts. Board Members and GMs should	Re-organisation of Railway Board on functional lines as per the decision of Union Cabinet done in September 2020, which is as under; a)Chairman and Chief Executive Officer(CEO); b) Member Infrastructure; c) Member Traction and Rolling Stock; d) Member Operation and Business Development;

	<p>have at least three (3) years of service left.</p>	<p>e) Member Finance. A residual service of one year has been laid down for the posting of Members & Chairman. A residual service of 2 years has been laid down for the post of General Managers and equivalent.</p>
4.	<p>Re-organise Group-A services into 2 streams - Logistics & Technical and merging of Railway Board Secretariat Services(RBSS) with Central Secretariat Services (CSS).</p>	<p>Cabinet has approved, inter alia, creation of a new group –A central service called Indian Railway Management Service(IRMS), merger 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 not implemented.</p>
5.	<p>Re-organization/rationalisation of Zones and Divisions to reduce their total numbers</p>	<p>Under Examination.</p>
6.	<p>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.</p>	<p>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 being made from time to time..</p>
7.	<p>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.</p>	<p>Significant autonomy and empowerment has been given to zones and divisions since 2017 by way of delegation of administrative and financial powers.</p>
8.	<p>Integrate and synergise works such as cleaning, IT initiatives,</p>	<p>Acted upon.</p>

	etc.	
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.	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.
11.	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.
12.	External borrowings should be received directly by Railway PSUs and not through IR.	Two recent World Bank loans to DFC have gone directly to DFCCIL and not through IR.
13.	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.
14.	Non-lapsable Safety Fund funded through safety surcharge with matching budgetary grant support.	A non-lapsable Safety Fund by the name of 'Rashtriya Rail Sanraksha Kosh'(RRSK) has been created 1.4.2017. The Kosh is to get a funding of Rs. 1 lakh cr in 5 years comprising of Rs. 75,000 cr from MoF and the balance to be contributed by the Railway.
15.	Freight rates should be left to	At present, Central Government is

	market principles; freight related social costs should not be imposed on IR	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.
16.	Suburban railway should be hived off to State Governments through JV route.	Partially acted upon.
17.	Passenger concessions can be met by other channels of Union Government, like Ministry of Education(Students Concession), Ministry of Sports(Sportspersons).	Under Examination
18.	To provide subsidy to passengers, Aadhar numbers to be linked with passenger tickets.	Under Examination
19.	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 or EBR-(IF) has been introduced with effect from FY 2015-16. EBR-IF funds are being deployed to finance throughput enhancement projects of Railways mainly Doubling and Electrification projects. During 2015-16 to 2019-20, investment of Rs 96,718 Cr has been made on Railway projects from EBR(IF)
20	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.	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.
21.	Increase in productivity is possible from better utilisation of	Efforts to increase the productivity of the existing capacity of asset are

	<p>existing capacity and assets to improve operating and scheduling practices</p>	<p>continuous exercise and various initiatives in the passenger and freight segment have been taken such as;</p> <p>(i) Increase the passenger capacity by introduction of 24 coach trains (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 improved infrastructure facilities in rolling stock maintenance facilities etc.</p>
<p>22.</p>	<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>
<p>23.</p>	<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>“Tejas” trains run by Indian Railway Catering and Tourism Corporation(IRCTC) have been started on two routes namely Delhi- Lucknow and Mumbai- Ahmedabad.</p> <p>RFQ has been floated on 1st July 2020 for operation of passenger trains over approximately 109 origin destination pairs (divided into 12 clusters) through PPP mode .</p>
<p>24.</p>	<p>Ownership of general purpose wagons including coal, coke, ore etc. to private sector</p>	<p>A new scheme for attracting private investment in ownership of general purpose wagon has been introduced.</p>
<p>25.</p>	<p>Rationalise/make customer friendly the RDSO processes of procurement of new wagons, clearance of wagon design</p>	<p>Several initiatives have been taken towards improving the RDSO process for procurement of new wagons and clearance of wagons and clearance of wagon designs. (i) Approval process</p>

		on manufacturers being procured through vendor portal for applications and approvals. (ii) IT based monitoring of quality assurance procedures followed by manufacturers.
26.	Single window clearance for approval of construction of ICDs/PFTs	Acted upon.
27.	Setting up of an Investment Advisory Committee of 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.	Partially acted upon.
28.	Make private sector, both foreign and domestic entry in IR more attractive and viable by changing the existing norms.	The items indicated alongside are within the purview of RDA.
29.	Switch towards e-tendering with emphasis on long duration rate contracts at divisional/zonal levels.	100 % 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 were issued by Railway Board .
30.	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.	Acted upon.
31.	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.

<p>32. 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>New performance appraisal system has been introduced on the basis of DOP&T's instructions.</p>
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