



RAILWAY CONVENTION COMMITTEE



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The Railway Convention Committee is an *ad hoc* Committee constituted from time to time on a Resolution adopted by Lok Sabha and concurred by Rajya Sabha. It consists of 18 Members: 12 Members from Lok Sabha are nominated by the Speaker and 6 Members from the Rajya Sabha are nominated by the Chairman, Rajya Sabha. The Chairperson of the Committee is appointed by the Speaker from amongst the Members of the Committee. The Minister of Finance and the Minister of Railways used to be among the Members nominated to the Committee. However, in 1989 (9th Lok Sabha), for the first time, the Minister of Finance was not nominated as a Member of the Committee. After change of Government at the Centre, on 10 November, 1990, the new Railway Minister was not nominated to the Committee and the former Railway Minister continued to be the Member of the Committee. On the constitution of the Railway Convention Committee (1991), the Railway Minister and Finance Minister were not nominated as Members of the Committee. However, both the Ministers were nominated to the Committee against subsequent vacancies. In the Railway Convention Committee (1996), only the Minister of Railways was nominated to the Committee. Similarly, both the Ministers of Railways and Finance were not nominated to the Railway Convention Committee (1998), (1999), (2004) and (2009).

The Railway Finances were separated from the General Finances in India in 1924. By a resolution adopted in September 1924, the Central Legislative Assembly approved what is commonly known as the 'Separation Convention' providing for a definite annual contribution from the Railways to the General Revenues which was to be the first charge on the net receipts of the Railways. The working of the 'Separation Convention' was reviewed from time to time by the Committees appointed by the Legislative Assembly.

The Railway Convention Committee constituted in 1949 was the first Committee after Independence. Since 1954, each Lok Sabha has been having a Railway Convention Committee. The Committee becomes *functus officio* after presenting its final Report regarding rate of dividend.

Functions

The Committee reviews the rate of dividend which is payable by the Railway Undertaking to the General Revenues as well as other ancillary matters in connection with the Railway Finance *vis-a-vis* General Finance and make recommendations thereon. It also suggests the level of appropriation to various funds of Railways like the Depreciation Reserve Fund, Development Fund, Pension Fund, etc. The House or the Speaker may also refer to the Committee, *ad hoc* issues of public importance relating to the Railways and Railway Finances.

With effect from the financial year 2017-18, the Railway Finance has been merged with General Finance and as such no separate Railway Budget is laid in Parliament and payment of dividend by the Railways has been dispensed with.

The Railway Convention Committees uptill 1970 confined themselves only to the question of determining the rate of dividend payable by the Railways during the succeeding quinquennium. Since 1971, the Railway Convention Committees have been, in addition to recommending the rate of dividend payable by the Railways to the General Revenues, also taking up for examination and report subjects which have a bearing on the working of Railways and Railway Finances.

Working of the Committee

Although the Committee has not drawn up any separate rules to regulate its internal working, it functions more or less on the same lines as the other Financial Committees of

Parliament. The Committee has the power to send for persons, papers and records. The Ministry of Railways and other non-official individuals/organisations concerned are asked to furnish necessary memoranda and other material relating to the selected subjects for information of the Members of the Committee. Sometimes, it also invites memoranda from State Governments.

The Committee may, from time to time, appoint one or more Study Groups for carrying out detailed examination of various subjects.

If it appears to the Committee/Study Group that it is necessary for the purpose of its examination that on-the-spot study should be made, the Committee/Study Group undertakes tours to study any particular matter, project, etc. Notes relating to the organisations/workshops/establishments, etc. to be visited are called for in advance from the Ministry of Railways and circulated to the Members of the Committee/Study Group. These notes form the basis for informal discussion which the Committee holds with the Railway officials, etc.

When the Committee/Study Groups are on study tour, only informal sittings are held at the places of visit and at such sittings neither evidence is recorded nor any decision taken. However, notes on the study tours undertaken by the Committee/Study Groups are circulated to the Members for their information and use.

The Members of the Committee, while on tour, may also meet and have informal discussions with the representatives of State Governments/non-official individuals which are concerned with the subject under examination of the Committee. In the light of these informal discussions of the Committee and the memoranda and the other information received from the Ministry of Railways, official witnesses are invited to tender evidence at the formal sittings of the Committee held in New Delhi. All discussions held by the Committee are to be treated as confidential and no one having access to the discussions, directly or indirectly, should communicate to the Press, or any unauthorised person, any information about the matters taken up during the discussions. The observations/recommendations of the Committee are embodied in its reports which are presented to Parliament.

As regards the rate of dividend that may be payable by the Railways to the General Revenues, the Committee invites a memorandum from the Financial Commissioner of Railways. The memorandum contains the views both of the Ministry of Railways and the Ministry of Finance on various proposals made in the memorandum. The Report of the Committee on the Rate of Dividend is considered by the House on a Resolution moved by the Minister of Railways.

Reports of the Committee normally are not discussed in the House. After a Report has been presented to the House, the Ministry of Railways and other Ministries concerned are required to take action on various observations and recommendations contained in the Report. The replies of the Government are examined and an Action Taken Report is then presented to the House. Thereafter replies of the Government in respect of recommendations of the Committee for which no replies or no final replies were received at the action taken stage, shall be laid on the Table of both the Houses. However, no separate Action Taken Report is presented on the recommendations contained in the Report on Rate of Dividend. The action taken notes of the Government on the recommendations contained in the Report on Rate of Dividend are appended in the Report on the Rate of Dividend for the next year.

LOK SABHA SECRETARIAT
NEW DELHI
MAY, 2019
LARRDIS/No.30/1/2019/PPR