

TENTH REPORT
PUBLIC ACCOUNTS COMMITTEE
(1985-86)

(EIGHTH LOK SABHA)

COACHING SERVICES

MINISTRY OF RAILWAYS
(RAILWAY BOARD)

[Action Taken on 154th Report (Seventh Lok Sabha)]



Presented in Lok Sabha on 19 August, 1985
Laid in Rajya Sabha on 19 August, 1985

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CORRIGENDA TO 10TH REPORT OF PUBLIC ACCOUNTS
COMMITTEE (EIGHTH LOK SABHA)

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PUBLIC ACCOUNTS COMMITTEE
(1985-86)

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1. Shri N. N. Mehra—*Joint Secretary*
2. Shri K. H. Chhaya—*Chief Financial Committee Officer*
3. Shri Krishnapal Singh—*Senior Financial Committee Officer.*

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Tenth Report on action taken by Government on the recommendations of the Committee contained in their One Hundred and Fifty-Fourth Report (7th Lok Sabha) regarding 'Coaching Services'.

2. In this Action Taken Report, the Committee have noted that a decision has been taken by Ministry of Railways (Railway Board) to set up a second coach factory and to step up the capacity at the Integral Coach Factory from 750 coaches to 1000 coaches per annum. A modernisation and capacity generation project costing Rs. 47.60 crores is also stated to have been included in the works programme for 1984-85. As the requirement of coaches will increase both on replacement as well as on additional account the Committee have strongly urged the Planning Commission for stepping up the allocation to the Railways to enable them to execute these necessary schemes expeditiously so that new coaches could be added to the existing stock after discarding the overaged coaches. The Committee have further expressed the view that a reduction of 5 per cent of total ineffective (coaches under periodical overhaul, repairs and spares) by optimum utilisation of the existing capacity of POH workshops and resorting to modern techniques would result in availability of sufficient number of coaches. The Committee have asked the Railways to take initiative in this direction.

3. The Committee have also expressed the view that to execute the necessary schemes for augmenting the production of coaches, maintenance facilities etc. larger resources can be generated by optimal utilisation of the existing assets and economical and efficient use of the resources. The Committee have urged the Ministry of Railways to spell and specify the steps taken in this direction.

4. The Committee considered and adopted the Report at their sitting held on 8th August, 1985. Minutes of sitting form Part II of the Report.

(vi)

5. For facility of reference and convenience, the recommendations and observations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in the Appendix to the Report.

6. The Committee place on record their appreciation of the assistance rendered to them in this matter by the Office of the Comptroller and Auditor General of India.

NEW DELHI;
12 August, 1985

21 Shrawana, 1907 (Saka)

E. AYYAPU REDDY,
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

1.1 This Report of the Committee deals with the action taken by Government on the Committee's recommendations|observations contained in their 154th Report (7th Lok Sabha) on paragraph I of the Advance Report of the Comptroller and Auditor General of India for the year 1980-81, Union Government (Railways) regarding Coaching Services.

1.2 The Committee's 154th Report was presented to Lok Sabha on 29th April, 1983. It contained 37 recommendations|observations. Action Taken Notes have been received in respect of all the recommendations|observations contained in the Report.

1.3 Replies to the recommendations|observations received from Government have been categorised under the following heads:

- (i) Recommendations|observations that have been accepted by Government:

Sl. Nos. 1-5, 9, 10, 12, 13, 17, 19-22, 24, 25,
28, 29, 34-37

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

Sl. Nos. 6-8, 11, 26, 27 and 30

- (iii) Recommendations|observations the replies to which have not been accepted by the Committee and which require reiteration: NIL

- (iv) Recommendations|observations in respect of which Government have given interim reply.

Sl. Nos. 14-16, 18, 23, 31-33.

1.4 The Committee regret to observe that although a period of nearly 2 years has elapsed since 154th Report (Seventh Lok Sabha) was presented to the House, the final action taken replies in respect of recommendations—Sl. Nos. 14-16, 18, 23 and 31—33—are still outstanding. They desire that the final replies in respect of aforesaid recommendations should be submitted to the Committee without any further delay.

1.5 The Committee will now deal with the action taken by Government on some of the recommendations.

Procurement of Coaches—Imbalance in supply and demand of coaches—Need for effective steps.

(Para 121, Sl. No. 3)

1.6 Commenting on the imbalance in supply and demand of coaches during the Sixth Plan period, the Committee had observed in paragraph 121 of their 154th Report (7th Lok Sabha) as under:

“The Committee note with concern that the imbalance in supply and demand is going to be further accentuated during the Sixth Plan period. The Committee understand that the allocation for the Railway’s Sixth Plan has been restricted to Rs. 5,100 crores only as against Rs. 11,000 crores asked for. Consequently, with the available funds it will be possible to provide only 5,600 coaches against the minimum requirement of 14,000 coaches (both on replacement & additional accounts) during the Plan period. According to the Ministry of Railways, due to depreciation of money value, not more than 5,000 coaches may be manufactured ultimately. The Committee further observe with deep concern that since the number of coaches due for replacement is around 7,800 much of the overaged stock will continue to be utilized. This is bound to reflect very adversely on the efficiency of passenger services and safety of passengers.”

1.7 In their reply dated 14 August, 1984, the Ministry of Railways (Railway Board) have stated as under:

“The imbalance in supply and demand of coaches is at present both because of limitation of funds and limitation of capacity. A decision has been taken to set up a second coach building factory and the technical study has been entrusted to Rail India Technical and Economic Services on whose recommendations the location, layout etc. will be decided. Meanwhile, as an additional effort at maximising coach production it has been decided to step up the capacity at the Integral Coach Factory to 1000 coaches per annum. A modernisation and capacity generation project costing Rs. 47.60 crores has accordingly been included in the Works Programme for 1984-85. Only such overaged coaches which after detailed examination are fit and safe for further efficient service and whose condemnation merely on the basis of codal

life is not necessary, are being continued in service. Such coaches are maintained thoroughly and even though some decline in amenity standards and some inability to measure up to passenger aspirations is inevitable, it is certainly possible to ensure safety and reasonably trouble free service with these."

1.8 The Committee had, in the earlier report observed that with the available funds in the Sixth Plan, the Railways might be able to manufacture only 5,000 coaches against the minimum requirement of 14,000 coaches which would not even be sufficient to replace the 7,800 overaged coaches. This was bound to reflect adversely on the efficiency of passengers' services and safety of passengers. Ministry of Railways have stated that the imbalance in supply and demand of coaches is at present both because of limitation of funds and limitation of capacity. A decision has been taken to set up a second coach factory and to step up the capacity at the Integral Coach Factory from 750 coaches to 1000 coaches per annum. A modernisation and capacity generation project costing Rs. 47.60 crores is stated to have been included in the works programme for 1984-85. Further, according to Ministry of Railways (Railway Board), only such overaged coaches which after detailed examination are fit and safe for efficient service and whose condemnation merely on the basis of codal life is not necessary, are being continued in service. The Committee would impress upon the Union Government the necessity to expedite the completion of technical study entrusted to Rail India Technical and Economic Services regarding the location, layout etc. of the new coach factory to be set up so that the new factory could be established and production of coaches be started at the earliest. The augmentation of capacity of Integral Coach Factory may also be completed at an early date. The Committee would like to be apprised of the progress made in this direction.

As the requirement of Coaches will increase both on replacement as well as on additional account the Committee cannot but strongly urge the Planning Commission for stepping up the allocation to the Railways to enable them to execute the necessary schemes referred to above expeditiously so that new coaches could be added to the existing stock after discarding the overaged coaches. The Committee note of Para 141 of 154th Report, 7th Lok Sabha) that 26.5 per cent of the coaching stock remained out of traffic use. Even a reduction of 5 per cent of total ineffectiveness by optimum utilisation of the existing capacity of POH workshops and resorting to modern techniques would result in availability of sufficient number of coaches. The Committee would expect the Railways to take initiative in this direction.

Inadequate Rail Services to the long distance passengers—Need for a Comprehensive Study

(Para 122—Sl. No. 4)

1.9 Expressing concern over the lack of adequate rail services to the long distance passengers, the Committee had, in paragraph 122 of their 154th Report (7th Lok Sabha) recommended as under:

“The Committee cannot view this situation with equanimity. Railways being a public utility cannot abdicate their responsibility in the matter of providing adequate services to the travelling public. While it is generally accepted that short distance non-suburban traffic should better be left to road, there is no reason why the Railways should not be able to cater to the requirements of long distance passengers for the vast majority of whom this is the only mode of transport available. Moreover long distance express/superfast trains are a paying proposition. The Committee would therefore urge that a realistic assessment be made of the growth of passenger traffic involving say, a lead of 500 kilometres and above with a view to projecting the requirements over the next 5—10 years and planning accordingly. Likewise, there is need for having a comprehensive study carried out with regard to inter-city travel keeping in view the new growth centres that are rapidly emerging in the wake of growing industrial/economic activity all over the country. The Committee would like this exercise to be undertaken immediately so as to help in formulation of the Seventh Plan.”

1.10 In their reply dated 16 January, 1984, the Ministry of Railways (Railway Board) have stated as under:

“The Recommendations of the Committee to make a realistic assessment of the growth of passenger traffic and a study regarding inter-city travel keeping in view the new growth centres so as to help in the formulation of the Seventh Plan have been noted.

In connection with the formulation of the Seventh Plan we have constituted Sub-groups to undertake indepth studies in key areas. A Sub-group has been constituted to study and assess the demand for passenger traffic, taking into account the trend, the emerging growth centres over the five year period 1985—90. The Sub-group has been asked to work out the distance-wise profile of the passenger traffic anticipated.”

1.11 The Committee had earlier recommended that a realistic assessment be made of the growth of passengers traffic involving say, a lead of 500 kms. and above with a view to projecting and planning the requirements over the next 5—10 years. The Committee had also recommended a comprehensive study to be carried out with regard to inter-city travel keeping in view the new growth centres that are rapidly emerging in the wake of growing industrial/economic activities all over the country. Ministry of Railways (Railway Board) have stated that in connection with the formulation of the Seventh Plan, Sub-groups have been constituted to undertake indepth study in key-areas and to study and assess the demand for passengers traffic, taking into account the trend, the emerging growth centres over the 5 years period 1985—90. The Committee would like to be apprised of the main recommendations made by these Sub-groups and the action taken/proposed to be taken by the Government in this regard.

Schemes for augmentation of the production of coaches, maintenance facilities etc.—Generation of Additional Resources Internally

(Para 123—Sl. No. 5)

1.12 Stressing the need for generation of additional resources internally to execute the necessary schemes for augmenting of the production of coaches, and terminal and line capacities etc., the Committee had in paragraph 123 of their 154th Report (7th Lok Sabha) recommended as under:

“So far as the current plan is concerned, the Committee cannot but strongly stress the imperative need for stepping up the allocations to the Railways to enable them to execute the necessary schemes for augmenting the production of coaches, maintenance facilities and terminal and line capacities etc. The Committee would also expect the Railways to take all measures necessary to contribute to this effort by generating additional resources out of their own revenues by efficient and concentrated utilisation of existing assets, both human and material and by cutting down all wasteful expenditure.”

1.13 In their reply dated 16 January, 1984, the Ministry of Railways (Railway Board) has stated as under:

“The recommendation of the Committee has been noted. It may be pointed out that in the recent years the Railways have stepped up their efforts to generate additional

resources internally, but the extent to which resources can be generated internally depends on the fare and freight structure which in turn depends on a variety of factors. The Railways, are making all endeavours to improve the utilisation of their assets and in other directions as recommended by the Committee.

Besides proceeding with the approved proposal of setting up another coach factory to meet the demands for new coaches, the capacity at ICF is being optimised raising it from 750 coaches to 850 coaches per year to be further raised to a final figure of 1000 coaches per year."

1.14 The Committee in their earlier Report had asked the Ministry of Railways (Railway Board) to take all measures necessary to step up their allocations to execute the necessary schemes for augmenting the production of coaches, maintenance facilities etc. by generating additional resources out of their own revenues, cutting down all wasteful expenditure. The Ministry of Railways (Railway Board) in their action taken note have inter-alia, stated that the Railways have stepped up their efforts to generate additional resources internally, but the extent of which depends on the fare and freight structure which in turn depends on a variety of factors. The Committee are unable to appreciate this argument. In the opinion of the Committee, larger resources can be generated within the same structure by efficient and optimal utilisation of the existing assets and economical and efficient use of the resources. The Committee would, therefore, urge the Ministry of Railways to spell and specify the steps taken in this direction.

Establishment of a New Coach Factory and the extent of ineffective Percentage of Coaching Stock

(Paras 131 and 141—Sl. No. 13 and 23)

1.15 Referring to the new coach factory to be set up and ineffective percentage of coaching stock with the Ministry of Railways, the Committee had, in paragraphs 131 and 141 of 154th Report of 7th Lok Sabha, commented as under:

"The Committee understand that the Planning Commission have approved a project for setting up a coach factory which would initially manufacture 400 coaches per annum. The production would ultimately go up to 500 coaches per annum. The question whether it would be feasible to augment the production capacity of the existing units or whether an altogether new unit is necessary, needs careful

consideration. The Committee would like to know whether this matter was examined at any stage and if so, with what results. The Committee are of the view that it would be advantageous to expand the existing capacity of the existing coach building factories."

"The Committee note that 26.5 per cent of the coaching stock remains out of traffic use, being under repairs (14 per cent) and held as spares (12.5 per cent). The Railway Board have accepted this to be capable of improvement. A reduction of 5 per cent in the ineffectives would release large number of coaches (1,448 numbers—5 per cent of 28,268) and consequently reduce the requirements of additional coaches. As such, the Committee consider that immediate steps are necessary in the interest of overall economy to plan and provide facilities to achieve such reduction.

The Committee have been informed that due to closure of large number of steam loco sheds due to gradual withdrawal of steam traction 3,600 artisans have been released as surplus. The Committee, therefore, recommend that urgent steps should be initiated to gainfully utilised the surplus artisans to achieve the aforesaid objective."

1.16 In their reply dated 23 November, 1984 the Ministry of Railways (Railway Board) have stated respectively as under:

"The Ministry of Railways are processing the setting up of a New Coach Factory with a capacity of 400 coaches per annum in the first phase. The need for augmenting coach building capacity has been a pressing requirement of the Railways, hence it is necessary for the Railways to find ways and means to do so as early as possible.

Before the decision was taken to augment coach building capacity by setting up a New Coach Factory, a number of high level Committees were set up by the Railways to look into this question from all angles. Among the alternatives considered by the Committees were:

- (i) expanding the capacity of the existing units at ICF| Madras, BEML|Bangalore and Jessops|Calcutta;
- (ii) Converting Izatnagar Railways Workshop into a coach manufacturing unit;
- (iii) Establishing a New Coach Factory.

The expansion of ICF has been found to be feasible and plans have been formulated to generate an additional capacity of 250 coaches per annum. It cannot be increased beyond 1000 coaches and EMUs per annum. This expansion is in process of completion.

Expansion of BEML from their present manufacturing capacity of 300 coaches per year is feasible to the limited extent of not beyond 400 coaches per year. This capacity to the extent of 400 coaches is programmed to be fully utilised by 1984-85.

Jessops' actual production have so far been less than the target. Efforts are being made to get full utilisation of their installed capacity of 252 coaches including EMUs. Orders are being placed on them accordingly. Expansion of Jessops beyond this is therefore not considered feasible.

Even after this augmentation, the capacity available is still not adequate for our needs which is about 3370 per annum. Hence after considering various factors such as:

- (a) Capability to manufacture coaches in quality to bridge the gap between demand and supply effectively;
- (b) Capability to adopt latest technology for producing coaches with a new proven design and speed potential for 160 Kms. the present technology being 25 years' old;
- (c) Have least gestation period;
- (d) Have minimum capital investment;
- (e) Have least cost of production, etc.

The conclusion was reached that the best alternative was setting up a New Coach Factory. This has been accepted by the Planning Commission."

"The Ministry of Railways is already taking action to implement the Committee's recommendation. For instance, the main thrust of the on-going workshop Modernisation project, aided by the World Bank, is reduction in repair days so that rolling stock is available for traffic use for a larger number of days. Phase II of the Project also aims at the same results. Similarly, most of the Steam Loco Sheds staff released due to closure of Steam Loco Sheds on

account of programmed diesellisation and electrification are being utilised for coach or wagon maintenance. The above steps will involve reduction in the 'ineffectives'. Regarding the traffic spares, it may be indicated that 12.1|2 per cent is essential to cater to day to day fluctuations in passenger traffic, movement of paramilitary, educational and tourists groups etc. and it cannot be reduced without adversely affecting the railways capability to move such traffic. In any case, the railway does not at present have reserve stock to this extent.

Instructions already exist for the absorption of surplus staff generated due to closing down of steam loco sheds etc. by re-deployment against existing vacancies in identical grades or against new posts which are to be created for new activities."

1.17 As per the prescribed norms, 14 per cent of the coaching stock remains out of traffic use being under POH|repairs and another 12.5 per cent are kept as spares. However, as per the actual census taken by the Railway Administration in March 1981, the actual percentage of coaches under repairs was 20.5 per cent to 22.5 per cent for Second class coaches and 23.9 per cent for first class coaches which is between 6 to 8 per cent more than the norm. This certainly does not depict a healthy picture of repair and look after facilities on Railways. While the Committee note that the efforts are being made to optimise the use of the existing coach building capacity in the country, the Committee strongly urge the Railways to take immediate steps to further streamline the repair facilities with a view to reduce the number of ineffective coaches. The Committee recommend that look after, repair and POH facilities planned, should be such so as to take care also of the additional coaches inducted into service as per accelerated coach building programme now proposed.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation of the Committee

The Committee observe that in terms of number of passengers the suburban traffic increased from 1219 million in 1970-71 to 2064 million in 1981-82 *i.e.* by 69.3 per cent while in terms of passenger the suburban traffic increased from 22984 million in 1970-71 to 43965 million in 1981-82 *i.e.* by 91.3 per cent. The number of EMU coaches however increased by 51.9 per cent (from 1780 to 2658) only during this period. The seating capacity in suburban trains increased by 51.1 per cent (from 340541 to 514744) only during the same period. The non-suburban traffic in terms of passengers increased from 1212 million in 1970-71 to 1640 million in 1981-82 *i.e.* by 35.3 per cent. In terms of passenger kilometres it increased from 95,136 million in 1970-71 to 1,76,822 million in 1981-82 *i.e.* by 86.9 per cent. However the number of conventional coaches increased only by 10.5 per cent (from 24,676 to 27,257) and the seating capacity increased by 12.0 per cent (from 1,505,047 to 1,685,935) during the same period. It is, therefore, evident that the increase in the number of coaches/seating capacity has been lagging far behind the increase in suburban as well as non-suburban traffic over the years thereby accentuating overcrowding in the trains.

[S. No. 1, Para 119 of 154th Report of PAC—1982-83—VII
(Lok Sabha).]

Action taken

The observations of the Committee have been noted.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 83-BC-PAC/
VII/154 dated 16-1-1984.]

Recommendation

The targets for passenger traffic for the Fifth Plan period (1974-75 to 1978-79) were fixed on the recommendation of the working Group specifically set up for the purpose. In respect of non-suburban

traffic, the plan envisaged an annual growth rate of 4 per cent (around 20 per cent for the whole period) while for suburban passenger traffic, the annual rate of growth was anticipated to be 5 per cent (around 25 per cent for the whole period). The Committee however observe that the suburban traffic actually increased by 10.2 per cent in terms of passengers kilometres and 8.6 per cent in terms of passengers per annum while the non-suburban traffic increased by 6.9 per cent in terms of passenger kilometres and 7.4 per cent in terms of passengers per annum during the revised Fifth Plan (1974-75 to 1977-78). The Committee are constrained to point out that while the growth in passenger traffic, both suburban and non-suburban, far outstripped the plan projections, the rate of growth of EMU and conventional coaches was 5.2 per cent and 0.5 per cent only per annum during this period.

[S. No. 2, Para 120 of 154th Report of PAC—1982-83—VII
Lok Sabha].

Action taken

The observations of the Committee have been noted.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/
VII/154 dated 16-1-1984].

Recommendation

The Committee note with concern that the imbalance in supply and demand is going to be further accentuated during the Sixth Plan Period. The Committee understand that the allocation for the Railway's Sixth Plan has been restricted to Rs. 5,100 crores only as against Rs. 11,000 crores asked for. Consequently, with the available funds it will be possible to provide only 5,600 coaches against the minimum requirement of 14,000 coaches (both on replacement & additional accounts) during the Plan period. According to the Ministry of Railways, due to depreciation of money value, not more than 5,000 coaches may be manufactured ultimately. The Committee further observe with deep concern that since the number of coaches due for replacement is around 7,800 much of the overaged stock will continue to be utilised. This is bound to reflect very adversely on the efficiency of passenger services and safety of passengers.

[S. No. 3, Para 121 of 154th Report of PAC—(1982-83)—VII
Lok Sabha].

Action taken

The imbalance in supply and demand of coaches is at present both because of limitation of funds and limitation of capacity. A
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decision has been taken to set up a second coach building factory and the technical study has been entrusted to Rail India Technical and Economic Services on whose recommendations the location, layout etc. will be decided. Meanwhile, as an additional effort at maximising coach production it has been decided to step up the capacity at the Integral Coach Factory to 1000 coaches per annum. A modernisation and capacity generation project costing Rs. 57.60 crores has accordingly been included in the Works Programme for 1984-85.

Only such overaged coaches which after detailed examination are fit and safe for further efficient service and whose condemnation merely on the basis of codal life is not necessary, are being continued in service. Such coaches are maintained thoroughly and even though some decline in amenity standards and some inability to measure upto passenger aspirations is inevitable, it is certainly possible to ensure safety and reasonable trouble free service with these.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/
VII/154 dated 16-1-1984].

Recommendation

The Committee cannot view this situation with equanimity. Railways being a public utility cannot abdicate their responsibility in the matter of providing adequate services to the travelling public. While it is generally accepted that short distance non-suburban traffic should better be left to road, there is no reason why the Railways should not be able to cater to the requirements of long distance passengers for the vast majority of whom this is the only mode of transport available. Moreover long distance express/superfast trains are a paying proposition. The Committee would therefore urge that a realistic assessment be made of the growth of passenger traffic involving say, a lead of 500 kilometres and above with a view to projecting the requirements over the next 5—10 years and planning accordingly. Likewise, there is need for having a comprehensive study carried out with regard to inter-city travel keeping in view the new growth centres that are rapidly emerging in the wake of growing industrial/economic activity all over the country. The Committee would like this exercise to be undertaken immediately so as to help in formulation of the Seventh Plan.

[S. No. 4, Para 122 of 154th Report of PAC—(1982-83)—VII
Lok Sabha].

Action taken

The recommendations of the Committee to make a realistic assessment of the growth of passenger traffic and a study regarding inter-city travel keeping in view the new growth centres so as to help in the formulation of the Seventh Plan have been noted.

In connection with the formulation of the Seventh Plan we have constituted Sub-groups to undertake indepth studies in key areas. A Sub-group has been constituted to study and assess the demand for passenger traffic, taking into account the trend, the emerging growth centres over the five year period 1985—90. The Sub-group has been asked to work out the distancewise profit of the passenger traffic anticipated.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/
VII/154 dated 16-1-84]

Recommendation

So far as the current plan is concerned, the Committee cannot but strongly stress the imperative need for stepping up the allocations to the Railways to enable them to execute the necessary schemes for augmenting the production of coaches, maintenance facilities and terminal and line capacities etc. The Committee would also expect the Railways to take all measures necessary to contribute to this effort by generating additional resources out of their own revenues by efficient and concentrated utilisation of existing assets, both human and material, and by cutting down all wasteful expenditure.

[S. No. 5, Para 123 of 154th Report of PAC-1982-83—VII
Lok Sabha].

Action taken

The recommendation of the Committee has been noted. It may be pointed out that in the recent years the Railways have stepped up their efforts to generate additional resources internally, but the extent to which resources can be generated internally depends on the fare and freight structure which in turn depends on a variety of factors.

The Railways are making all endeavours to improve the utilisation of their assets and in other directions as recommended by the Committee.

Besides proceeding with the approved proposal of setting up another coach factory to meet the demands for new coaches, the capacity at ICF is being optimised raising it from 750 coaches to 850 coaches per year to be further raised to a final figure of 1000 coaches per year.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/VII/154 dated 16-1-1984].

Recommendation

So far as BEML is concerned, the Committee observe that the production during 1974-75 to 1980-81 averaged 216 coaches per annum against the installed capacity of 300 coaches. During evidence, the representative of the Ministry of Railways informed the Committee that "the actual capacity of BEML has been assumed (by audit) at 400 coaches per annum but we are informed that it is 300 coaches per annum". Asked why Audit were not informed earlier that these figures were not correct, the witness replied: "I came to know of it only two days ago." The Committee are greatly surprised at the casual manner in which the C&AG's reports are treated by the Ministry. The draft Audit paragraph should have been properly verified by the Ministry. The Committee desire that suitable instructions should be issued in this regard for the guidance of all concerned.

[S. No. 9, Para 127 of 154th Report of PAC—1982-83—VII Lok Sabha].

Action taken

The figures of 400 coaches shown by the Audit as the capacity of BEML is the Licensed capacity, whereas the figure of 300 quoted by the Railways is the installed capacity which is available for production. This information has already been furnished to the Audit vide our reply to point No. 31(a) and (b) of the list of points arising out of evidence of representative of Ministry of Railways on part I of C&AG's report (Railways) 1980-81.

As desired by the Committee necessary instructions (copy enclosed—an annexure) have been issued to all concerned to ensure proper verification of the facts included in the draft Audit paras.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/VII/154 dated 16-1-1984].

ANNEXURE

OFFICE ORDER NO. 42 OF 1983

Sub:—Verification of factual data in Audit Paragraphs.

The Audit Report on Railways is finalised by the Addl. Dy. Comptroller and Auditor General (Railways)—in short ADAI (Railways)—every year after discussion with the Railway Board. This work is coordinated in Board's Office by Budget (Committee) Branch with the concerned Directorates.

2. The Audit Report is finalised in different stages as indicated below:—

First draft paragraphs are issued by Directors of Audit of Zonal Railways to their respective Railway Administration for their remarks including verification of facts etc. The latter send their comments to the Audit after obtaining Board's approval. Similarly, ADAI (Railways) issues draft paragraphs to Railway Board in regard to the matters dealt with by the Board and the latter advise their remarks to Audit.

Secondly draft paragraphs which are considered for inclusion in the Audit Report are converted by ADAI (Railways) into 'Provisional' paragraphs. Discussions on these provisional paragraphs are arranged by Budget (Committee) Branch between the Audit and the concerned Directorates. Sometimes, due to paucity of time discussions with the concerned Directorates are held at the draft para stage itself. During these discussions any factual inaccuracies noticed in para by the Board are pointed out to the Audit.

Thirdly Provisional paras are finally required to be factually verified formally by the concerned Directorate even after the discussions, and, acceptance of the factual position or inaccuracies, if any, are brought to the notice of ADAI (Railways) for appropriate amendment to the provisional paras. The Audit Report is then printed by the C&AG's Office for presentation to the Parliament.

3. The onus of finding factual inaccuracies and pointing them out to Audit before the printing of the Audit Report, is with the Board for which ample opportunity is available with the concerned Direc-

torate in the Board. However, it has been observed that on a number of occasions the facts stated in Audit paragraphs were challenged at a very late stage *i.e.* either during evidence before PAC, or, in the action taken note/remedial/corrective action notes submitted to PAC later. This has been viewed seriously by the Public Accounts Committee and they have made the following observations in this regard in their 154th Report (1982-83) extract of which is reproduced below for ready reference:—

“127.....The Committee are greatly surprised at the casual manner in which the C&AG's Reports are treated by the Ministry. The draft Audit paragraph should have been properly verified by the Ministry. The Committee desire that suitable instructions should be issued in this regard for the guidance of all concerned.”

4. All Directorates in Board's Office are requested to take note of PAC's observations and ensure that factual position in the draft/provisional para is verified invariably so that the PAC have no occasion to comment adversely again in this respect.

Sd/-

No. 83-BC-PAC/VII/154(9)
dated 9-8-1983.

Secretary, Railway Board.

All Officers & Branches in Board's Office.

A(Acc) and O & M with 10 spare each.

Recommendation

The Committee find that capacity utilization in the BEML was 72 per cent during 1974-75 to 1977-78 and 79.1 per cent during 1978-79 to 1981-82. Paucity of funds as also of wheel sets and other free-supply items are stated to have affected the production of coaches in BEML. The committee cannot but express their regret over the failure of the Ministry of Railways to provide adequate funds and components needed for coach-building. In the context of acute shortage of coaches, the Committee would urge the Ministry of Railways|Defence to look into this matter with a view to removing the constraints in full utilization of the capacity available in BEML.

[S. No. 10, Para 128 of 154th Report of PAC-
(1982-83) Seventh Lok Sabha].

Action taken

As desired by the Committee, action has been taken to ensure full utilisation of the capacity of BEML. In 1981-82, they produced 300 coaches and in 1982-83, 305 coaches. During 1983-84, BEML have produced 335 coaches. No shortage of free-supply items is faced by BEML from 1981-82 onwards. Adequate funds were also provided.

Further, BEML have been given a target for production of 350 coaches during 1984-85 and adequate funds have been provided for this production. BEML have also been given a tentative programme for production of 400 coaches during 1985-86 subject to availability of funds. They have been asked to confirm achievable production for 1985-86. Thus action is being taken to ensure full utilization of the coach manufacturing capacity available at the BEML.

This has been seen by Audit.

[Ministry of Railways (Railway Board)'s O.M. No. 83-BC-PAC/
Lok Sabha.]

Recommendation

The Committee find that the outstanding load as on 1-4-1982 was 1,240 coaches on BEML and 854 coaches (inclusive of EMUs) at Jessops. The outstanding orders are expected to be completed by 1985-86 and 1988-89 respectively based on targets and fund allocations during 1982-83. The Ministry have added that if the Jessops are able to sustain the capacity for 250 coaches which they had attained as far back as in 1972-73 they would be able to clear the load by middle of 1985-86. The Committee expect that the Ministry of Railways on their part will ensure that the production schedule does not suffer for want of funds and other facilities.

[S. No. 12, para 130 of 154th Report of PAC (1982-83)—
Seventh Lok Sabha]

Action taken

It will be ensured that adequate load is available with the coach building units to facilitate advance planning and every effort will be made to provide funds for full utilisation of the capacities subject to the funds being made available by the Planning Commission.

This has been seen by Audit.

[Ministry of Railways (Railway Board)'s O.M. No. 83-BC-PAC/
VII/154 dated 14-8-1984.]

Recommendation

The Committee understand that the Planning Commission have approved a project for setting up a coach factory which would initially manufacture 400 coaches per annum. The production would ultimately go up to 500 coaches per annum. The question whether it would be feasible to augment the production capacity of the existing units or whether an altogether new unit is necessary, needs careful consideration. The Committee would like to know whether this matter was examined at any stage and if so, with what results. The Committee are of the view that it would be advantageous to expand the existing capacity of the existing coach building factories.

[S. No. 13, Para 131 of 154th Report of P. A. C. (1982-83)—
(Seventh Lok Sabha)]

Action taken

The Ministry of Railways are processing the setting up of a New Coach Factory with a capacity of 400 coaches per annum in the first phase. The need for augmenting coach building capacity has been a processing requirement of the Railways, hence it is necessary for the Railways to find ways and means to do so as early as possible.

2. Before the decision was taken to augment coach building capacity by setting up a New Coach Factory, a number of high level committees were set up by the Railways to look into this question from all angles. Among the alternatives considered by the Committees were:

- (i) Expanding the capacity of the existing units at ICF Madras, BEML/Bangalore and Jessops/Calcutta.
- (ii) Converting Izatnagar Railway Workshop into a coach manufacturing unit.
- (iii) Establishing a New Coach Factory.

The expansion of ICF has been found to be feasible and plans have been formulated to generate an additional capacity of 250 coaches per annum. It cannot be increased beyond 1000 coaches and EMUs per annum. This expansion is in process of completion.

Expansion of BEML from their present manufacturing capacity of 300 coaches per year is feasible to the limited extent of not beyond 400 coaches/year. This capacity to the extent of 400 coaches is programmed to be fully utilised by 1984-85.

Jessops's actual production have so far been less than the target. Efforts are being made to get full utilisation of their installed capacity of 252 coaches including EMUs. Orders are being placed on them accordingly. Expansion of Jessops beyond this is therefore not considered feasible.

Even after this augmentation, the capacity available is still not adequate for our needs which is about 3370 per annum. Hence after considering various factors such as:

- (a) Capability to manufacture coaches in quality to bridge the gap between demand and supply effectively;
- (b) Capability to adopt latest technology for producing coaches with a new proven design and speed potential for 160 Kms.; the present technology being 25 years' old;
- (c) Have least gestation period;
- (d) Have minimum capital investment;
- (e) Have least cost of production, etc.

the conclusion was reached that the best alternative was setting up a New Coach Factory. This has been accepted by the Planning Commission.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/
VII:15 dated 23-11-1984.]

Recommendation

Referring to the inadequate augmentation of EMU coaches, specially motor coaches, and consequent slow progress in the implementation of the conversion programme of a coach rakes into 9 coaches rakes for the suburban services in Eastern region, the Chairman Railway Board explained that this is due to the capacity constraints in this regard in the indigenous manufacturing capacity of traction motor units, etc. at the BHEL, which is heavily in arrears in supplying these motor components (motor units, traction motor, etc.) As a result, coaches which have been manufactured have been reported to be lying idle in the workshops.

The Committee would suggest that Railway Board take effective measures in consultation with the controlling Ministry of BHEL—Ministry of Heavy Industry to impress on the public sector unit to

clear the heavy backlog in their supply orders and advise the Committee of the results of such measures.

[S. No. 17 Para 135 of 154th Report of PAC-1982-83-

(Seventh Lok Sabha).]

Action taken

The overall capacity of BHEL for manufacture of electric traction equipment is 50 covering both AC and DC. The supply by BHEL in the last 3 years has been as below:—

Year	AC/EMU	DC/EMU	Total
80-81	22	8	30
81-82	33	12	45
82-83	33	10	43
83-84	24	24	48

(T. 1984)

As the Railway Ministry was aware that BHEL will not be able to give adequate supplies, action has already been taken to arrange balancing import and an order for an import of 43 sets of electric traction equipment for DC EMUs has already been placed. Supply has commenced against this order. Meanwhile BHEL has been requested to augment their capacity with a view to avoiding importation of traction equipment.

This has been seen by Audit.

[Ministry of Railways (Rly. Board's) O.M. No. 83-BC-PAC/VII/154th Report dated 16-1-1984].

Recommendation

The Ministry of Railways have explained that the differences in the two sets of figures is due to the differences in producers in so far as the statistical figure is an average of the daily position for the month/year as a whole whereas the census figures reflect the position at a particular time of the day when the census was taken.

The less repair percentage under the former category was accounted by coaches which were found defective/deficient of fittings and withdrawn from the scheduled trains but rectified within twenty-four hours which do not enter the statistical figures of repair percentage.

The Committee are unhappy to note that such large number of defective coaches as explained by variations in the annual census study were to be detached from the scheduled trains at the last minute causing inconvenience to the passengers as revealed by the census figures of the coaches taken at a particular time of the day. Keeping in view the advantages which accrue by such census, the Committee recommend that measures should be taken to have such census more frequently than at present, i.e., fortnightly or monthly, as found practicable, besides, maintaining statistics of such coaches detached from train for effectively monitoring the coaches under repair and not running as per formation of train with a view to reduce running of trains with lesser number of coaches.

[S. No. 19, Para 137 of 154th Report of PAC-(1982-83)—
(Seventh Lok Sabha).]

Action taken

1. Instructions have already been issued to Railways to conduct census of coaching stock (PCBs) on the first Monday of every month. On the receipt of census particulars, the position is analysed and action is taken as necessary.

2. Records of all coaches detached from trains/incoming empty rakes because of Mechanical or Electrical defects or for scheduled preventive maintenance attention are maintained in each Carriage Maintenance Depot together with full details of what were the defects, time taken for repair, etc. The number of such coaches is monitored every day at the Depot, Divisional and Headquarters levels through the daily figures of sick coaches.

3. Monitoring of underload running of trains is done from time to time and Railways take steps to eliminate such cases where possible.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/
VII/154 dated 16-1-1984].

Recommendation

The data furnished by the Ministry of Railways shows that while the percentage of coaches under repair in shops has remained virtually constant and in fact was somewhat reduced in 1980-81, the coaches awaiting repairs increased from 2.53 per cent in 1976-77 to 3.64 per cent in 1980-81 while the stock under repairs in running

sheds/sick lines increased from 2.45 per cent in 1976-77 to 3.06 per cent in 1979-80 and 2.98 per cent in 1980-81. Acute shortage of workshop capacity is stated to have led to this situation. Owing to this shortage, coaches cannot be taken to workshops in time. Also, with less workshop capacity, a heavier load falls on the sick lines.

[S. No. 20, Para 138 of PAC's 154th Report 1982-83
(Seventh Lok Sabha)]

Action taken

The Ministry of Railways has already initiated action to build up capacity to not only match present arisings but to cater to the increased requirements for part of the VIIth Five Year Plan also. Against monthly POH arisings of 2540 units at the beginning and 2730 units at the end of the VIth Plan, the monthly capacity available at the start of the VIth Plan was 2060 units.

2. Therefore, the following works have been sanctioned and are in progress:

1. Expansion of Jagadhari workshop by 100 units per month.
2. Expansion of New Bongaigaon workshop by 100 units per month.
3. Construction of 3 new workshops with a capacity of 200 units per month each at Mancheswar, Tirupati & Bhopal.
4. Conversion of Gorakhpur Metre gauge workshop to tackle 100 broad gauge coaches per month.

3. Of these works, Jagadhari & New Bongaigaon have progressed sufficiently to raise their capacities by 30 & 15 units per month during the current year. The works will be completed during 1984-85. Mancheswar workshop has already started corrosion repair of coaches and is expected to start POH by the end of 1983-84. Tirupati, Bhopal & Gorakhpur are expected to start giving out-run from 1984-85, actual progress being dependent on availability of funds.

4. With the completion of these works, the capacity will build up from 2060 units per month to 2960 units per month. With this, the problem of coaches queuing up for repairs will be solved.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/
VII]154 dated 16-1-1984]

Recommendation

Another contributing factor was that large number of the coaches were received in sheds|depots on the Central, Eastern, Northern, Western, Southern, South Central, and South Eastern Railways with deficient electrical fittings such as bulbs, fans, alternators, etc. As seen from the Audit Para, the loss sustained by the Eastern, Northern, South Central and South Eastern Railways were as much as Rs. 2.14 crores i.e. 90 per cent of the total loss on this account for 1980-81. Explaining the reasons for this heavy losses, the Railway Board informed the Committee that the POH coaches have contributed the heaviest percentage as they remain unguarded and lying idle at the wayside stations in the divisions due to inadequacy of accommodation inside the workshops. Further due to inadequate supplies of fittings, these coaches were subjected to cannibalisation for utilising their fittings in running coaches, though no account thereof is available.

The Committee fail to understand why coaches should lie in waiting at wayside stations, as passenger rakes are run from point to point between important stations and are rather unhappy to note the manner in which the POH coaches are being left unguarded resulting in loss of fittings worth Rs. 2.14 crores as reported in the Audit Para for 1980-81. As the inadequacy of workshops to admit their entry in the shops could be monitored well in advance before despatch of coaches from the maintenance depots in the divisions, the Committee are unable to understand why the despatch of coaches due from POH coaches not be planned in such a way that they were taken out from traffic from the depots only on receipt advice from workshop regarding their entry in the shops. The Committee would, therefore, suggest for immediate steps to enforce a system of necessary coordination between the depots at the divisional headquarters and the assigned workshop so that these coaches are despatched in batches duly locked and guarded by Railway Security personnel.

In regard to fittings removed from such coaches by cannibalisation, a proper account should be maintained by the depots and the same should be subjected to inspection by the Railway officials.

The Committee note that as a result of special security efforts taken in 1981, stolen material worth Rs. 78.06 lakhs could be recovered during 1981. The Committee would like the Security measures to be intensified further.

[S. No. 21, Para No. 139 of 154th Report of P.A.C. (1982-83—
VII Lok Sabha)]

Action taken

The point raised by the Committee regarding despatching of coaches in a planned manner to workshops to avoid pilferages en-route has been noted and instructions (copy enclosed Annexure) to the Railways on how to solve this problem had been reiterated in February '83 itself. The subject was also discussed at length in the Conference of Chief Workshops Engineers held in May '83.

The other points raised by the Committee have also been noted and instructions are being reiterated.

This has been seen by Audit.

[Ministry of Railways (Railway Board)'s O.M. No. 83-BC-PAC/VII/154 dated 14-8-84]

ANNEXURE

Government of India (Bharat Sarkar)

Ministry of Railways (Rail Mantralaya)
(Railway Board)

No. 82/M(C)/142/15

New Delhi: date 28-2-1983

The General Managers,
All Indian Railways.

It was stipulated in P.O. No. 64-Sec (Cr.)/7/184/6 dated 16-11-65 that coaches sent to shops should be collected into rakes and worked duly padlocked and escorted. This procedure led to difficulties in implementation on account of:—

- (a) adequate number of due POH coaches not being available to be formed into rakes at various depots, as arisings of due POH coaches are scattered and do not take place at one particular depot; and
- (b) general shortage of coaching stock existing, the railways can ill afford to send coaches padlocked, specially when they are otherwise fit to carry passengers.

The matter was reviewed and instructions issued vide letter No. 82/M(C)/142/17 dated 27-7-82 that, to get optimum utilisation coaches marked sick for workshops be sent (after proper examination of under gear, brake gear etc. to ensure that they are roadworthy and safe), attached to convenient passenger trains, which on most of the

railways are already running underload. As far as possible, coaches meant for shops if otherwise fit to carry passengers, should carry passengers on their journeys to shops instead of being padlocked and escorted. With the implementation of this procedure, figures of ineffective coaching stock have come down. The incidence of underload running of trains has also shown a downward trend.

To take care of losses of fittings of rolling stock going to shops, attached to passenger trains and occupied by passenger, the following procedure be adopted:

- (i) HTXR|TXR of the base depot should advise the RPF and Elect. Staff before any coach is booked to shops;
- (ii) A joint check should be carried out by the representative of Mechanical Electrical and Security Branch on the basis of which a deficiency list should be jointly prepared at the base depot. In case of removal of any item at the starting station for cannabilisation or for fitment on other rolling stock held up for that material, clear indication be given in the deficiency list, so as to distinguish these deficiencies from cases of clear thefts. For preparing deficiency list, attention is invited to letter No. 64-Sec (Cr)|184|6 dated 1|2-2-68 which envisages that a check be made on items mentioned in the model list (instead of trying to check hundreds of parts). This model list can be supplemented on the experience of the railways and the list so standardised be prescribed for check.

The joint deficiency list be prepared in quadruplicate the first copy being retained by the TXR of base depot, copy being given to the base depot RPF staff and two copies being handed to the RPF staff (who would either escort the coaches or hand over the two copies to the Guard of the train to which the coaches are attached).

- (iii) The coaches (if fit otherwise) be attached to convenient passenger trains (which on most of the Railways are already running underload) going in the direction of the workshops, duly occupied by passengers and either escorted by RPF staff or under the charge of the guard of the train. The charge of the coaches be handed on route, from one to the other, by way of handing over deficiency list in two copies.
- (iv) At the destination station, if the guard has brought the coach deficiency list, it will be given to the ASM of the

station, who would hand it over to the RPF incharge of that station. The coach will then be under the charge of the RPF.

- (v) In case the shops, on arrival of the coaches at destination accept the coaches straightway two copies of the deficiency list should be presented by RPF staff to workshop staff, who should carryout a check in the presence of the RPF staff and jointly prepare a fresh deficiency list. One copy of the base depot deficiency list and one copy of fresh deficiency list would be retained by the workshop staff and similarly, one copy of each of the lists would be given to the RPF staff. The difference between these two lists would represent the deficiency which should be taken as losses attributable to thefts and cost thereof of only such items be shown in the Appropriation Account, keeping in view Board's letter No. 68|SEC (Cr)|154|4, dated 5-12-68. These deficiencies should be enquired into and necessary action for fining individual responsibility for taking disciplinary action and avoiding recurrence of such losses, should be taken.
- (vi) In case the shops cannot accept coach straightway and it has to be stabled outside shops awaiting repairs, till such time the coach is taken in hand by the workshop staff, the coach should be considered automatically under the general control of the RPF and no shop staff would go into the coach. Any shop staff found in such coaches would be treated as unauthorised. If any fittings or material are required to be removed from such stabled coaches, this shall be done only after informing the RPF staff in writing.

2. The above revised procedure would not apply to coaches which are unfit to carry passengers and have to be sent padlocked. In such cases, the old existing procedure stipulated *vide* Board's Letters Nos. 64. Sec. 8.7|184|6 dt. 16-11-65 sec. (Con|184.6 dt. 1|2.2.68, 68 Sec. (Cr.|184|21 dt. 5-12-68 and 68 Sec. (Cr.|184|21 dt. 30-3-82 would continue to be followed.

3. The above procedure would also not apply to air conditioned coaches and inspection carriages. In the case of air-conditioned coaches and inspection carriages, these would be sent duly padlocked and escorted by TXR|Elect. staff who should ensure that proper

and complete charge of each coach/carriage with all its fittings is given to the workshop staff under a proper written acknowledgement.

Sd/-

(G. K. MALHOTRA)

Addl. Director, Mechanical Engg. (RS)
(Railway Board).

Recommendation

The Committee have earlier pointed out that the actual out-turn in Railway workshops has been well below the available capacity. The Committee cannot but infer that the deterioration in the performance of the Railways in this regard is to a large extent due to inefficient functioning of the Railway workshops. The Committee find from the Railway Minister's Budget speech (23 March 1982) that both the Chairman and the Member (Mechanical) of the Railway Board were asked to visit major workshops with a view to evaluating the repair and maintenance facilities available and suggesting concrete and practical measures for improving the utilisation of the available capacity. The General Managers were also instructed to ensure 10 per cent improvement in the capacity utilisation of the workshops and sheds positively by the end of that calendar year viz. by December 1982. The Committee need hardly stress that for improving the operational performance of the Railways, it is of vital importance that the maintenance and repair facilities are kept in top gear. The Committee would, therefore, like to be apprised of the results of evaluation referred to above, the precise steps taken in pursuance thereof and the extent of improvement achieved vis-a-vis the target of 10 per cent improvement in capacity utilisation.

[Recommendation S. No. 22 Para 140 of 154th Report of PAC
1982-83]

Action taken

During 1979-80 and the first half of 1980-81, capacity utilisation, particularly in the coach and wagon POH shops, fell drastically due to various reasons such as shortage of electric power supply, labour unrest, shortage of vital spares, etc. A number of steps were taken which have now borne fruit. Statements given below give the in-
1748 LS—3.

crease in out-turn and capacity utilisation since 1979-80 for BG coaches and wagon POH shops.

	1979-80	1980-81	1981-82	1982-83
<i>B.G. Coaches</i>				
Capacity				
per month	2060	2060	2060	2220
out-turn per month	1887	1926	1948	2101
Percentage capacity utilisation	91.6%	93.5%	94.6%	94.6%
<i>B.G. Wagons</i>				
Capacity per month	8060	8160	8280	9000
Out-turn per month	5378	5982	7455	8383
Percentage capacity utilisation	66.7%	73.3%	90.0%	93.1%

It will be noted that during 1982-83 out-turn was 7.8 per cent higher for BG coaches as compared to 1981-82 and 12.4 per cent for BG wagons as compared to the previous year. Not only has physical out-turn been increased appreciably since 1979-80, capacity utilisation has gone up from 91.6 per cent in 1979-80 for coaches to 94.6 per cent in 1982-83. For wagons the increase is from 66.7 per cent to 93.1 per cent.

The data of POH in respect of metre gauge coaches and wagons is given below:—

	1979-80	1980-81	1981-82	1982-83
<i>Coaches (MG)</i>				
Capacity per month	1455	1460	1465	1486
Out-turn per month	1286	1310	1325	1335
Percentage capacity utilisation	88.4%	90.0%	90.4%	90.0%
<i>Wagons (MG)</i>				
Capacity per month	2252	2255	2325	2360
Out-turn per month Percentage	2059	2153	2319	2370
capacity utilisation	91.4%	95.5%	99.6%	100.4%

3. The above results were achieved by taking a number of steps which had amended as a result of evaluation of repair and maintenance

facilities and suggestions of concrete and practical measures for improving the utilisation of available capacity by the then GRB and MM of the Railway Board after their visits to major workshops. Some of the steps taken were:—

- (i) Offloading of all work from workshops that could be done in open-line depots such as minor repairs, NPOH etc. This was necessary as ultimate health of the fleet depends on good workshop attention.
- (ii) Converting some wagon manufacture capacity to wagon POH in Golden Rock and Amritsar workshops.
- (iii) Involving staff to a maximum extent at all levels by creating a suitable climate for increase in productivity.
- (iv) Control of staff absenteeism.
- (v) Improvement in material handling.
- (vi) Reduction in machine breakdown.
- (vii) Keeping strict watch on availability of material.
- (viii) Maintaining adequate liaison with State Electricity Boards to ensure supply of electric power. Where power was a problem diesel generating sets were installed.

4. An important evaluation made by CRB and M.M. was that in view of the constraints of resources and essential time factor for building up additional maintenance capacity, the existing capacity in workshops has to be optimally utilised for repairs and attention, particularly to coaching stock and wagons fleet. In pursuance thereof Kharagpur workshop of South-Eastern Railway reduced their POH capacity of steam locomotives and increased their coaching out-turn from 2294 units in 1981-82 to 2722 units in 1982-83 and 1108 units till August '83 during 1983-84. Similarly, Golden Rock Workshop of Southern Railway, *inter alia*, reduced their locomotive POH out-turn and increased out-turn of freight stock from 10 units in 1981-82 to 2571 units in 1982-83 and 1465 units till August '83 in 1983-84. Amritsar workshop, *inter alia*, stopped POH of steam locomotives and generated capacity for 1182 units of wagon POH in 1982-83 and 6275 units till August '83 in 1983-84.

5. The drive to increase out-turn further continues and a further increase in out-turn is expected during 1983-84. As compared to an average out-turn of 2101 coaches and 8.383 wagons per month

during 1982-83, average out-turn in April and May '83 has been 2,183 and 8,577 for coaches and wagons respectively.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/
VII]54 dated 16-1-1984.]

Recommendation

The Committee are constrained to point out that while the holding of BG coaches increased (net) 10.5 per cent between 1974-75 and 1980-81, the workshop capacity which was assessed at 2104 in 1973-74 remained static during this period. The Committee have been informed that the increase in POH arising has taken place not only due to increase in the number of coaches but also because of the increased percentage of coaches running on Mail/Express trains which require more frequent attention. As against an estimated 35 per cent coaches running on Mail/Express trains in 1975-76, the figure today is about 50 per cent on BG. According to the Railway Board, the capacity for POH of Broad Gauge coaches at the beginning of 1982-83 was 2060 coach units per month. This is short of the monthly arisings by approximately 480 units. Thus the over all shortage in POH capacity which was assessed (in 1979) at about 1500 BG coaches per year, has increased to about 5760 BG coaches per year. Accordingly, the percentage of coaches overdue for POH has increased from 8.8 in 1973-74 to 16.6 in 1980-81 and would definitely be much more at present.

[S. No. 24, Para 142 of PAC's 154th Report, 1982-83—
(Seventh Lok Sabha)]

Action taken

It is correct that since 1974-75, arisings for BG coach POH increased not only due to increase in coach holding but also due to a larger number of coaches being utilised on Mail & Express trains which require more frequent attention due to their high utilisation. The Railway Ministry took action during this period and sanctioned the following works to not only augment coach POH capacity to match arisings but also cater to future increases:—

- (i) Construction of 3 new Coaching Repair Workshops at Mancheswar, Tirupati & Bhopal with a capacity of 200 units of POH per month each;
- (ii) Expansion of Jagadhari & New Bongaigaon Workshops by 100 units of POH each; and
- (iii) Conversion of Gorakhpur Workshops from MG coach POH to BG (100 units).

Progress of these works has so far remained slow due to paucity of funds. However, Jagadhari has already raised its out-turn from 200 per month to 230 while New Bongaigaon has started BG Coach POH this year. Mancheshwar Workshop is also expected to start BG coach POH during the current financial year. Funds are being allotted on priority to these works to improve coach POH capacity.

This has been seen by Audit.

[Ministry of Railways (Railway Board)'s O. M. No. 83-BC-PAC/
VII/154 dated 16-1-1984.]

Recommendation

The Ministry of Railways have informed the Committee that they were aware of the shortage of POH capacity which was building up over the years but could not plan for increased facilities due to shortage of funds for maintenance facilities. The total allotment of funds since the beginning of the planned development for maintenance facilities was only 6 per cent of the allotment for additional rolling stock against an estimated requirement of about 15 per cent. Certain works sanctioned since 1977-78 are under execution. These will take care of the shortfall now existing as well as the increased arisings by the end of the Sixth Plan. These works include new workshops at Mancheshwar, Tirupati and Bhopal each with a capacity of 200 coaches per month and expansion of existing Workshops at New Bongaigaon and Jagadhari with an increase of 100 coaches per month. The proposed new Workshops at Mancheshwar, Tirupati and Bhopal and the existing one at Jagadhari will serve as centralised repair Workshops catering to the arisings on all Railways in the zone. Expansion of Jagadhari and New Bongaigaon Workshops is expected to be completed during 1983-84. Mancheshwar is expected to start POH during 1983-84 and reach full capacity in 1984-85. Tirupati and Bhopal Workshops are both expected to start giving out-turn during 1984-85. The conversion of MG facilities at Gorakhpur to undertake POH of 100 BG coach units per month and work at Liluah, Alambagh, Lower Parel and Parambur for expanding facilities to handle AC coaches is also started to have been sanctioned. However, the progress of these works will, according to the Ministry of Railways, depend on provision of funds by the Planning Commission.

[S. No. 25, Para 143 of 154th Report of PAC-1982-83—
(Seventh Lok Sabha)]

Action taken

The observations of the Committee have been noted.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC]
VII/154 dated 16-1-1984.]

Recommendation

The Committee find that one of the principal constraints in fuller utilisation of existing capacity in the Workshops is the inadequate supplies of wheels, tyres and axles. The Committee urge that the Wheel and Axle Plant at Bangalore, should be commissioned expeditiously so as to make up this deficiency. As regards short supply of other essential materials fittings, the Committee would like the Ministry of Railways to take energetic steps for setting up ancillary industries that would be more or less captive to the Railways. This is possible only if such units could be given orders on an assured and sustained basis. The Committee would like to be apprised of the steps taken by the Ministry of Railways in this regard.

[S. No. 28, Para 146 of 154th Report of PAC-1982-83—
(Seventh Lok Sabha)]

Action taken

For items of wheels, tyres and axles, the planning is done on the indigenous steel plants like Durgapur Steel Plant and TISCO to the extent capacity is available with them. The balance requirements are met by imports. There have been some cases of temporary shortages due to slippage in supplies by indigenous Plants. However, situation has now been brought under control by arranging further imports of the quantities to the extent there have been slippages from the indigenous plants.

The urgency expressed by the Committee regarding early setting up of Wheel & Axle Plant has been noted. It may be stated that all our efforts are being made to commission the Wheel & Axle Plant, Bangalore, at the earliest. The wheel unit is expected to be completed by December, 1983 and the Axle Unit by the end of 1983-84.

So far as setting up of ancillary industries is concerned, instructions to all the Zonal Railways and Production Units have already been issued by the Ministry of Railways (Railway Board) to—

- (a) encourage setting up of ancillary units in respect of items which are not being manufactured within the country or items for which there is a shortage of balancing capacity; and
- (b) while setting up new production units, such ancillary units should be encouraged.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/VII/154 dated 16-1-1984.]

Recommendation

The Committee find that the capacity in the Railway Workshops has been further restricted on account of the corrosion repairs required to be undertaken on steel-bodied coaches which were introduced over 25 years back and are to be given heavy corrosion repairs once in 7 years. The arisings have been increasing steadily from year to year on account of progressive addition to stock and condemnation of wooden-bodied coaches and their replacement with steel-bodied coaches. On account of the severely restricted capacity in the Workshops, at least 350 to 400 coaches have been queuing up for corrosion repairs at any given time. During evidence, the Committee were given to understand that the Railways proposed to introduce a new type of low alloy high tensile steel coach that would be resistant to corrosion and that this proposal would be given a practical shape when the new coach-building factory is set up. The Committee would like the relative economics of the two types of coaches to be carefully studied before taking a decision in the matter. In the meantime, high priority should be accorded to corrosion repairs on steel-bodied coaches for alleviating overcrowding in the existing trains.

[S. No. 29 Para 147 of 154th Report of PAC-(1982-83)—
(Seventh Lok Sabha)]

Action taken

During 1980, a high level team comprising coach design, coach manufacture and financial experts was deputed to visit major coach manufacturers in Europe and America to assess the technology and design to be adopted for the new coach proposed to be constructed in

India. This team considered the various possibilities, namely aluminium coach, stainless steel coach, low alloy high tensile steel coach etc. from all angles such as cost of manufacture & repair, feasibility of manufacture, economic evaluation of life, etc. and concluded that the best material for Indian conditions would be the low alloy high tensile steel coach. As added precautions against corrosion, they recommended that the design/manufacturing techniques for the new coach should have the following features:—

- (i) the turn-under should be eliminated and the solebar strengthened suitably to compensate for the loss of strength.
- (ii) spot welding of the joint between the side wall and pillar.
- (iii) use of CO₂—shielded gas arc welding in lieu of manual arc welding. Thus, before this decision was taken, relative economics of various possibilities were considered.

Highest priority is being accorded to not only corrosion repair to the existing steel bodied coaches but also to findings ways and means to reduce corrosion.

No. of coaches requiring corrosion repairs, number actually given and numbers outstanding as on 31-7-83 are given below:—

	No. of coaches awaiting corrosion repair on 1-4-81	No. of coaches received for corrosion repair from 1-4-81 to 31-7-83	No. of coaches turned out after corrosion repair between 1-4-81 to 31-4-81	No. of coaches awaiting corrosion repair on 31-7-83
B.G.	424	7367	7452	339
M.G.	61	2390	2395	56

2. The adoption of 3 types of changes in the design/manufacturing techniques mentioned in para 1 above will be done when the new Coach Factory is set up. M/s. Rail India Technical & Economic Services, New Delhi have been asked to prepare a detailed project report including techno-economic survey for identification of proper location of the Factory. The physical construction of the Factory

would depend upon this study and final allocation of funds by the Planning Commission.

This has been seen by Audit.

[Ministry of Railways (Railway Board)'s O.M. No. 83-BC-PAC/
VII/154 dated 16-1-1984.]

Recommendation . .

While introducing the Railway Budget for the year 1983-84, the Railway Minister in his speech (24 Feb., 1983) affirmed that "the basic responsibility of the Railways is to provide safe, secure and punctual transit to passengers and freight. In order that a vast undertaking of this dimension continues to play the assigned role, its assets are required to be maintained at the optimum level. Mainly because of funds constraints it is not possible to maintain the assets at a satisfactory level". He further stated that "the problem of overcrowding in trains continues and we have not been able to meet the demands of passengers for accommodation in trains. Shortage of coaches coupled with lack of terminal facilities at important stations has been the main constraint for augmenting passenger services."

[S. No. 34, Para 152 of 154th Report of PAC—(1982-83)—
(Seventh Lok Sabha)]

Action taken

The observations of the Committee have been noted.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/
VII/154 dated 16-1-1984].

Recommendation . .

The Committee consider that while short term measures are obviously necessary to ensure optimum utilisation of the available assets in order to alleviate the problems of the passengers, both suburban and non-suburban, it is equally necessary for the railways to prepare a perspective plan covering the period upto 2000 AD for integrated development of the railway infrastructure in terms of line capacity, terminal capacity, coaching stock, motive power and other ancillary facilities. [Para 153]

The Committee desire that realistic projections of traffic growth may be prepared on the basis of past experience and long term plan drawn up for meeting the demand. [Para 154]

[S. Nos. 35 & 36, Paras 153 & 154 of 154th Report of PAC-1982-83-
(Seventh Lok Sabha)]

Action taken

The recommendations of the Committee have been noted. A new Corporate Plan to cover the period upto 2000 AD is being drawn-up and as part of this plan broad requirements of passenger traffic will also be identified, as suggested, along with measures to meet these demands.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/
VII/154 dated 16-1-1984.]

Recommendation

The Committee expect the Planning Commission to take note of the severe constraint of funds for meeting the developmental needs of the Railways. While the Committee would urge the Railways to raise maximum possible resources out of their own revenues, it would be necessary for the Planning Commission to find additional resources to bridge the gap between the outlays needed and the resources available to the extent possible.

[S. No. 37, Para 155 of 154th Report of PAC—1982-83—
(Seventh Lok Sabha)]

Action taken

The requirements of the Railways are kept in mind by the Planning Commission and reviewed by them from time to time on the basis of availability of resources.

The Planning Commission allocated additional outlays over and above the outlays sanctioned initially in the year 1982-83 and 1983-84. The Planning Commission also considered the needs of the Railways in the Mid-Term-Review of the Sixth Plan and subject to overall availability of resources for urgent needs of other sectors additional funds are likely to be provided.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O. M. No. 83-BC-PAC/
.. VII/154 dated 16-1-1984.]

CHAPTER III

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

Recommendation

So far as suburban traffic is concerned, the Committee find that even while Railways are working to the saturation point in all the metropolitan towns viz. Bombay, Calcutta and Madras, people's patience is fast running out and unless immediate steps are taken to alleviate the inhuman conditions in which the commuters have to travel day in and day out, the position is bound to get out of hand very soon. The projections in this regard have proved to be highly underestimated. The Committee would therefore urge the Ministry of Railways and the Planning Commission to consider the matter in all its ramifications and draw up schemes, both short term and in the long term to prevent resurgence of such a situation. The Committee cannot too strongly stress that additional resources have got to be found for augmenting the suburban services so as to take care of at least the incremental growth which itself needs to be assessed in more realistic terms in the first instance.

[S. No. 6, Para 124 of 154th Report of PAC—1982-83—
(Seventh Lok Sabha)]

Action Taken

No new schemes to offer relief to commuters in the metropolitan cities could be considered while formulating the Sixth Plan as the limited funds available had to be allocated to the major on-going projects at the beginning of the plan, namely, Calcutta Metro Railway, Delhi Ring Railway and Fly Over Scheme at Bandra. However, four new schemes—two for Bombay, one for Madras and one for Calcutta are being programmed through the 1983-84 and 1984-85 Railway Budgets. So far as the question of finding additional resources for augmenting Suburban Services is concerned, it may be submitted that this depends on the overall availability of resources and *inter se* priority of demands in different core sectors and areas. Within

the national resources made available to Railway Transport the Suburban services will be duly improved to the extent possible.

This has been seen by Audit.

[Ministry of Railways (Railway Board)'s O.M. No. 83-BC-PAC/
VII/154 dated 16-1-1984.]

Recommendations

The production of coaches is planned on the Integral Coach Factory (ICF)—a departmental undertaking of the Railways, Bharat Earth Movers Limited (BEML) under Ministry of Defence and M/s. Jessop & Co. under the Ministry of Heavy Industry. The installed capacity of these units is 750,300 and 400 coaches per annum respectively. In addition, the workshops of the zonal railways also produce coaches (installed capacity—100 coaches) but these are mainly for departmental use. The Audit para has pointed out that during the period 1974-75 to 1980-81 the total production in the three units mentioned above was of the order of 6,487 coaches (including EMUs) as against the possible production of 10,150 coaches *i.e.* the capacity utilization was only 64.5 per cent during the 7 years period.

[S. No. 7 Para 125 of 154th Report of PAC—(1982-83)—
Seventh Lok Sabha.]

Action Taken

The capacity of BEML, ICF (including EMUs) and Jessops (including EMUs) is to be taken as 300,750 and 252 respectively. These are the installed capacities and this information was submitted to the P.A.C. in reply to point No. 31(a) and (b) on the list of points arising out of the evidence of Representatives of Ministry of Railways on para I of C&AG's Report (Railways) 1980-81 (copy of closed as annexure). On this basis, the capacity for the 7 year period was 9114 Nos. against the figure of 10150 Nos. indicated in para 125 of PAC's 154th report and the actual production was 6487 thus giving a capacity utilisation of 71.17 per cent.

This has been seen by Audit.

[Ministry of Railways (Railway Board)'s O.M. No. 83-BC-PAC/
VII/154 dated 16-1-1984].

ANNEXURE

Q. No. 31 (a) Please furnish a note indicating the production of passenger coaches/EMU coaches in BEML and Jessop during each of the years 1974-75 to 1981-82 *vis-a-vis* the licenced capacity/installed capacity.

(b) Please furnish reasons for shortfalls in production; if any.

(a) This information is furnished below in Tabular form:

Year	Installed capacity		Actual production		
	BEML	Jessop	BEML	JESSOP	
				Coaches	EMUs
	300	180 coaches+24 rakes of 3-car EMUs.			
1974-75			253	138	69
1975-76			220	130	48
1976-77 }		{ Jessops had decided to suspend production of coaches.	180	86	60
1977-78 }			211	Nil	15
1978-79 J			223	Nil	Nil
1979-80			250	62	Nil
1980-81			176	23	3
1981-82			300	12	31

(b) The planned production for these units itself was lower than the capacity due to funds constraints. While the actuals in case of BEML was ranging between 80 per cent to 90 per cent of the target (excepting 1979-80 when due to strike by Public Sector staff production fell to 69 per cent). For 81-82 they exceeded the plan target and achieved 100 per cent capacity utilisation. M/s. Jessops have not been able to improve their performance due to internal problems. The unit had also suspended production with effect from 76-77 and came back only in 1979-80. The performance in 1982-83 of both firms so far is better than previous years.

Recommendation

The Committee observe that the capacity utilization in the ICF (which produces bulk of the passenger coaches) was only 77.7 per cent up to 1977-78. The Ministry have informed the Committee that during the subsequent years 1978-79 to 1981-82 the production has gone up to 97.1 per cent of the available capacity. In the earlier years, the capacity utilization is stated to have suffered on account of constraints of funds, the general strike in May, 1974 and severe power cuts imposed by the Tamil Nadu State Electricity Board during 1974-75 and 1976-77. Audit have however pointed out that the Budget allotment under rolling stock (carriages) was revised downwards at the revised estimate stage in 1974-75 and again in 1977-78 to 1979-80 and the balance diverted for loco (besides wagons) procurement. Thus, the plea of lack of funds is not quite convincing. In fact, the Audit report has further pointed out that the Railways have built up surplus loco holdings resulting in deterioration in their utilisation indices. The Committee regret that in the context of acute shortage of coaches, the production capacity in the ICF should have deliberately restricted during 1974-75 to 1977-78 on the specious plea of constraints of funds. The Committee expect that the Ministry of Railways would ensure adequate allocation of funds to the ICF during the remaining years of the Sixth Plan so that the capacity available in the factory for production of coaches is fully utilized.

[S. No. 8 Para 126 of 154th Report of PAC—(1982-83)
(Seventh Lok Sabha).

Action taken

The allocation for rolling stock as a whole is made in bulk by the Planning Commission and bifurcation of this for loco, carriage and wagon is done based on priorities within the overall ceiling limit. The diversion of funds for locos at the cost of carriages was done on this basis, in the period 74-75 to 77-78.

It has now been ensured as desired by the Committee, that the allocation for ICF is in keeping with the capacity. In 81-82, ICF produced 730 coaches (including EMUs), in 82-83 775 coaches (including EMUs) against the capacity of 750. For 83-84, the target has been fixed as 750 Nos. coaches including EMUs, Calcutta Metro Coaches & 24 Nos. coaches for export within the reduced funds outlay for Rolling Stock as a whole.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/VII/154 dated 16-1-1984]

Recommendation

So far as Jessop & Co. are concerned, the Committee find that the average production in the factory was 136 coaches per annum during the year 1974-75 to 1977-78 vis-a-vis the installed capacity of 400 coaches. This came down sharply to 29 coaches per annum during the 3 year period 1978-79 to 1980-81 i.e. from 34% to 7% in the respective periods. Production in the factory is stated to have been affected by labour troubles. It came down as low as 26 coaches only during 1980-81 as against 118 coaches programmed, in that year. The Committee are greatly concerned at the poor performance of Jessop & Co. The Committee desire that the matter should be taken up by the Ministry of Railways with the Department of Heavy Industry at a high level with a view to improving the capacity utilization in the Company as expeditiously as possible by removing the constraints in production.

[S. No. 11, Para 129 of 154th Report of P.A.C. (1982-83)
(Seventh Lok Sabha)]

Action taken

It has already been explained vide reply to point No. 31(b) of the list of points arising out of evidence of representative of Ministry of Railways on Para I of C&AG's Report (Railways) 1980-81 that a decision was taken to suspend production of coaching stock at Jessops with effect from 1976-77. Subsequently a decision was taken to resume production of coaches with effect from 1979-80. The firm took considerable time to re-organise. In 1982-83 they produced 96 coaches including EMUs against a target of 160 Nos. During 1983-84, Jessops were given a target of 162 coaches including EMUs, out of which they have manufactured 130 coaches including EMUs.

The present installed capacity of Jessops is only 252 coaches including EMUs. Ministry of Industries have been advised for improving the capacity utilisation at Jessops as expeditiously as possible. Ministry of Heavy Industries have replied that M/s. Jessops have taken adequate steps to achieve full capacity utilisation of 72 DC EMUs per year. Further, Jessops have advised Railway Board that they are switching over their production facilities in the year 1985-86 for the production of integral MG coaches. Because of this switchover, it would not be possible for Jessops to manufacture more than 99 and 130 MG coaches during 1984-85 and 1985-86, respectively.

This has been seen by Audit.

[Ministry of Railways (Railway Board)'s O.M. No. 83-BC-PAC/VII/154 dated 14-8-1984]

Recommendation

The Committee are greatly concerned over the failure of the Railways since the very commencement of planned development in the country to ensure that the repairs and maintenance facilities keep pace with increase in the number of coaching stock. The Committee find that the gap on the BG system has widened from 1500 coaches per annum in 1979 to 5760 coaches at present. Incidentally, it may be pointed out that the workshop capacity which was assessed at 2104 in 1973-74 is stated to have been re-assessed at 2081 in December 1981 and as per the latest re-assessment at the beginning of 1982-83, it is only 2060 coach units per month. This needs to be explained.

[S. No. 26 Para 144 of 154th Report of PAC (1982-83)
(Seventh Lok Sabha)]

Action taken

The repairs and maintenance facilities for coaching stock have not kept pace with the requirements primarily due to paucity of funds allotted for such facilities. Against a requirement of around 15% for maintenance facilities as compared to the cost of additional rolling stock, the actual allotment since the 1st Five Year Plan has been about 6% only.

2. Since 1979, arisings for repair have increased sharply not only due to additional coaching stock being put on line but also due to a larger percentage of coaches being utilised on Mail/Express trains which require more frequent workshop attention. For instance, in this period the proportion of coaches running on Mail/Express trains on the broad gauge system increased from 35% in 1979 to about 50% today. On some Railways like Western, it is as high as 68 per cent.

3. The reduction in POH capacity since 1973-74 by 44 units is primarily due to a fall in the capacity of Liluah workshop of Eastern and Parel Workshop of Western due to substantial increase in the number of air-conditioned coaches and EMU stock respectively that these workshops are tackling. It may be mentioned that the volume of repair in an AC coach far exceeds that of conventional coach. Capacity has also to be provided for the increasing holdings of EMU stock required for running suburban services.

4. The Railways have been aware of the shortfall in capacity as compared to requirement and are in the process of constructing three new Workshops and expanding 2 existing shops to make the shortfall as well as cater to future requirements. Progress of these works, how-

ever, depends on availability of funds. Other corrective actions, however have been taken to maximise coach repair capacity.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/VII/154 dated 14-8-1984]

Recommendation

The Committee recommend that the ongoing schemes for augmenting the facilities in existing Workshops must be completed expeditiously so as to make up the deficiency to the extent feasible within the shortest possible time. As for the new schemes, the Committee would like priorities to be fixed so that instead of spreading the limited resources too thinly over several projects at the same time, the most promising ones could be completed expeditiously. The Railways should endeavour to find the necessary finances for the purpose from within their own resources as the provisioning/augmentation of such facilities has necessarily to be their own concern. The Committee see no reason why after the steep hike in passenger fares in recent years, the Railways should not be able to make adequate provision for the purpose.

[S. No. 27 para 145 of 154th Report of P.A.C. (1982-83)
(Seventh Lok Sabha)]

Action taken

Action proposed by the Committee is already being taken within the constraints of the total funds available. Railways are following the policy of assigning first priority to the on-going projects so that results can be achieved from the investments already made. A number of works which were approved by the Board in the Works Programme meeting for 1983-84 were later dropped, and only works considered absolutely important were retained in the Works Programme. Funds were allotted during 1983-84 to the various on-going schemes for coach POH as follows:

(i) Expansion of Jagadhari	Rs. 1.25 crores
(ii) Expansion of New Bongaigaon	Rs. 1.00 crores
(iii) New Workshop at Mancheshwar	Rs. 3.75 crores
(iv) New Workshop at Tirupati	Rs. 4.80 crores
(v) New Workshop at Bhopal	Rs. 3.5 crores

2. With these allotments, the first three works are expected to be completed in 1984-85, while some of the benefits may accrue in 1983-84 itself. Tirupati and Bhopal workshops are expected to go on stream in 1985-86.

A substantial portion of the increases in fares and freight rates is to meet the increasing costs of operations on account of cost increases of essential inputs like wages, etc. It is further submitted that the internal resources generated by the Railways are barely enough to meet the growing requirements of replacements and renewals.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC|VII|154 dated 15-1-1984]

Recommendation

The Committee note from the Audit paragraph that utilisation of tourist coaches (405 coaches) ranged from 4 days to 32 days per annum on most of the Railways. This indicates that there is very little demand for tourist coaches from the passengers and as such, there is scant justification to maintain a fleet waiting for use by a few passengers who choose to use them very occasionally. Looking to the paucity of passenger coaches, the Committee recommend conversion of these coaches for effective use as passenger coaches. The progress made in such conversion be reported to the Committee.

[S. No. 30, para 148 of 154th Report of P.A.C. (1982-83)
(Seventh Lok Sabha)]

Action taken

The figure of 405 coaches indicates the position of both 'Tourist & other carriages for public use' and 'Miscellaneous Cars including State saloons & Military Cars' as on 31-3-1980, the break up being 214 and 191 respectively.

2. The position as on 31-3-1984 was that there were 213 tourist carriages for public use—135 on BG and 78 on MG.

Of these 213 tourist carriages, 73 are over-aged—35 on BG and 38 on MG. It would not be worthwhile to convert these over-aged coaches, all of which are of the old wooden-bodied design, into general service coaches.

Of the remaining 140 tourist carriages, 104 are under-aged bogie Second Class tourist carriages—74 on BG and 30 on MG. Conversion of these tourist carriages into general service Second Class passenger carriages will require heavy financial investments as the entire interior will have to be re-done. It will also be necessary to take into account the increased wear and tear when the coaches are deployed on general service on which the total life is 25 years for steel bodied coaches and

30 years for wooden-bodied coaches. It may also be mentioned that the use of any wooden-bodied coaches so converted for general service use would have to be restricted to branch-line trains (as these would not be fit for main line Mail/Express trains) besides which there will be marshalling restrictions as the wooden-bodied coaches are not anti-telescopic. It would, therefore, be desirable to restrict this conversion to such of these carriages which are steel-bodied and less than 20 years old at the time of conversion. There were 9 such Second Class tourist carriages as on 31-3-1984—9 on BG and none on MG. The conversion of such carriages less than 20 years old at the time of conversion will be undertaken progressively through the Rolling Stock Programme within the constraints of financial resources and available workshop capacity.

In addition, to make more effective use of those tourist carriages which are not over-aged but are over 20 years of age and hence do not justify the heavy cost involved in conversion into general service Second Class coaches, R.D.S.O. have been asked to develop a layout plan to provide these coaches with the minimum fittings/facilities necessary to encourage and facilitate party bookings in tourist coaches thus reducing the pressure of such demands on general service coaches.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 84-BC-PAC/VII/154 dated 14-3-1985]

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS THE REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

—NIL—

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE GIVEN INTERIM REPLIES

Recommendation

The Committee are constrained to note that 20 per cent of the coaches (722 out of 3623) built by ICF during the years 1974 to 1981 were of upper class (AC 1st, AC II tier etc.). The amount spent by the ICF in manufacture of such coaches was Rs. 52.30 crores out of a total of Rs. 196.56 crores i.e. 27 per cent. An analysis of the passenger traffic and earnings therefrom during 1974-81 however indicated that 99 percent of the passengers travelled in the lower class while only one per cent travelled in the upper classes. So far as I Class AC coaches are concerned, the Committee observed that not only the occupancy was poor, these services have been incurring losses on the MG systems of practically all Zonal Railways (wherever such system exists). Losses are also being incurred on the BG systems of Central, South Eastern, North East Frontier and Southern Railways and that these were very heavy on the first two of these Railways. The Committee understand that a policy decision has since been taken not to manufacture any more first class AC coaches. The Committee consider that there should be no question of providing AC I Class services on routes where these are incurring losses. Surely, the tax payer should not be asked to subsidize travel by the elite. The Committee therefore recommend that the unremunerative services should be withdrawn forthwith and replaced by II Class Sleeper ordinary coaches.

[S. No. 14, Para 132 of 154th Report of PAC-1982-83
VII Lok Sabha]

Action taken

The observations of the Committee have been noted. It may be mentioned in this regard that ICF is the only coach manufacturing unit where main line coaches with upper class accommodation are manufactured—no such coaches are manufactured in the other two units, viz, BHEL and JESSOP. Hence, the total production of all three units has to be taken into account when evaluating the percentage of coaches manufactured with upper class accommodation. It

may also be mentioned that the requirement of main line coaches is not merely a function of the number of passengers carried but is also dependent upon the average distance travelled by the passengers of the different classes and the number of berths/seats available in coaches of different classes.

The production of upper class coaches has since been drastically reduced in as much as during the three years 1981-82 to 1983-84 only 212 upper class coaches were manufactured out of a total of 1998 which works out to 10.6 per cent as against 19.9 per cent during the seven years 1974—81. A decision has already been taken that in lieu of First Class Coaches, only IInd Class AC sleeper coaches which have proved very popular be manufactured as a replacement of First Class coaches since one AC sleeper coach replaces two First Class coaches, the haulage capacity released is utilised to augment existing train services with additional Second Class coaches.

It is true that only one per cent of the non-suburban originating passengers use the upper class coaching services. However, looking at the earnings per passenger these upper class services contribute 10.19 per cent of the total earnings from non-suburban passenger services. (The figures relate to the year 1982-83). The per passenger earnings from the upper classes thus work out to an average which is 27 times above the average for the second class passengers. These comparisons, however, do not take account of the average leads of passengers.

2. As far as First Class airconditioned service is concerned, the average lead was found to be 354.2 Kms. against the average lead of second class ordinary passengers of 58.1 Kms. The earnings per passenger Km. were 46.30 p. and 4.13 p. for the two classes giving a ratio of 11:1.

3. It may be mentioned that the Rail Tariff Enquiry Committee (RTEC), based on consideration of cost of carriage, had recommended that the rates for First-Air-Conditioned Class should be eleven times the corresponding rates for the Second Ordinary Class. Thus, as far as the fare rates are concerned, the Railways have more than fulfilled the requirement laid down by the RTEC, particularly when the differential leads of the two classes of passengers is taken into account. Therefore, the First Air-Conditioned Class passengers are not being subsidised by any other class at present.

The profitability of ACC I Class during 1982-83 is as follows:—

(figures in crores)			
	B.G.	M.G.	Overall
Expenses	10.18	0.75	10.93
Earnings	10.24	0.46	10.70
Profit/Loss	+0.06	-0.29	-0.23

The overall loss is, therefore, only marginal. This has however, to be seen as a whole on higher class coaches as per position given in above paras. As a step towards elimination of 1st ACC new additional coaches are not now being manufactured.

It is further submitted that the Board have taken certain innovative measures recently such as manufacture of AC II tier with 46 berths, AC I composite with 10 AC berths and 34 chair car seat per coach both on replacement and additional account in lieu of the existing unremunerative upper class coaches viz. AC I and ordinary I class with a view to making these services remunerative.

Audit have seen, who have observed as under:

As the AC I and AC II tier are two different classes of travel with different earnings potential, the earnings and working expenses of the two are required to be segregated and the loss solely from AC Ist class reassessed and exhibited railway-wise for the information of the PAC.

Audit observations have been noted and further communication will follow.

[Ministry of Railways (Railway Board S.O.M. No. 83-BC-PAC/
VII/154 dated 23-11-1984]

Recommendation

The Committee further desire that the occupancy ratio of upper class coaches, particularly I Class AC coaches, should be constantly monitored with a view to ensuring that these services not only cover the cost of operation but also leave a margin of profit to the Railways.

[S. No. 15, para 133 of 154th Report of P.A.C. 1982-83—
Seventh Lok Sabha]

Action taken

A cost analysis of the coaching services showed that in the case of mail/express trains, ACC I class services are incurring losses, on an overall basis, on Central, N.F., Southern, S.C. and S.E. Railways and I Class services are incurring losses on Eastern, N.F., Southern and S.E. Railways. The Railways concerned have therefore, been instructed to identify the trains on which the occupation ratio in these classes is unduly low and to consider the possibility of discontinuing or curtailing the uneconomic class of services. The Committee will be further informed in due course, the result of the reference made to the Railways and details of the further action that will be taken on such reports.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/
VII/154 dated 16-1-1984.]

Recommendation

134. The Committee note that the luggage space provided in the first class coaches when found to be poorly utilized (being unguarded) was ordered (August 1972), by the Railway Board to be converted into two first class berths per coach in Railway workshops. Audit have pointed out that this scheme has, however, made very poor progress, only 16 out of 387 first class (MG) coaches having been converted till December 1981. Similarly, on the M.G. 324 such type of coaches were awaiting conversion by Railway workshops. According to Railway Board, the slow progress in the conversion of these coaches with luggage compartment was due to the inadequate capacity of the Railway workshops to undertake the work along with POH work. The Committee, however, observe that during 1973-74 to 1977-78, against the total monthly POH capacity of 2134 BG coaches in Railway workshops, the out-turn ranged from 1563 to 1898. Similarly, against the capacity of 1471 MG coaches the out-turn ranged from 1252 to 1419. The Committee therefore see no reason why it should not have been possible to complete the conversion work, at least for a substantial number of the 771 (387 BG and 324 MG) coaches, if not all, by 1977-78. The Committee would like the Ministry of Railways to complete this work under a time bound programme.

[S. No. 16, para 134 of PAC's 154th Report (1983-84)]

Action taken

The Committee have observed that during 1973-74 to 1977-78 the full POH capacity of the workshops was not utilised as a result of which it should have been possible for some of this capacity to have been utilised for converting the luggage compartments. During this period utilisation of the available workshop capacity was affected because of loss of efficiency due to a variety of reasons and heavier inci-

dence of corrosion repairs and hence there was no residual capacity available.

2. Besides, one of the major reasons for lack of progress was that the decision itself was under review. Various suggestions and complaints were received from consultative Committees and other organisations regarding space for keeping catering material, compartment for attendants, etc. A representation was also received from AIRF that this space should be utilised for storage and safe custody of bed-rolls, etc. As a result of these contradictory demands, the decision to modify luggage compartments was withdrawn in 1977 and on reconsideration final decision to modify them was taken only in Nov. 1979. Therefore, between 1972 and 1979 there was no progress for reasons other than workshop capacity. It was only in November 1979 that the decision became final.

3. It is, therefore, only after November 1979 that the progress can be considered to be slow because of workshop capacity. By this time, however even though the efficiency of the workshops, had been restored, arising for repair had increased considerably including corrosion repairs. During 1980-81, 1981-82 and 1982-83 capacity utilisation of the coach workshops was over 90 per cent so that there was not enough spare capacity to undertake any other work. During 79-80 and 1980-81 the position was aggravated by severe electric power cuts in various parts of the country that further restricted workshop out-turn.

4. Instructions have already been issued to the Railways and the work of conversion is now in hand. A copy of the instructions is enclosed as annexure. The Railways have also been advised that the work will be done on estimates; the actual progress will depend upon the funds made available for the purpose from year to year.

This has been seen by audit who have made the following observations:—

“Seen. Thanks.

The Railway Board are, however, requested to furnish the data regarding number of BG and HG coaches converted upto 1982-83 and balance on hand as on 1-4-1983 for the information of Public Accounts Committee. They may also fix up a time bound programme for completion of the entire work as desired by PAC.”

The requisite data is being collected and will be furnished to PAC in due course.

[Ministry of Railways (Railway Board's) O.M. No. 84-BC-PAC/
VII/154 dated 14-8-1984.]

ANNEXURE

**GOVERNMENT OF INDIA (BHARAT SARKAR)
MINISTRY OF RAILWAYS (RAIL MANTRALAYA)
RAILWAY BOARD**

No. 82/M(C)/137/17

New Delhi, Date 14-04-1983

The General Managers (M),
All Indian Railways.

SUBJECT: Provision of luggage racks in the sleeper coaches and 1st class coaches—Para 16 of CRB's Inspection Note dated 4-5-1982 recorded as a result of his visit to Bombay.

It has been decided by the Board that provision of luggage racks should be abolished in the 1st class coaches [built to CSC 1499 (BG) and CSC 1480 (MG)] and these racks should be converted into berths as per instructions contained in R.D.S.O.'s letter No. MC/PCF/F dated 29-6-82. Board's instructions on the subject are as follows:—

- (a) First class coaches built to CSC 1499 (BG) and CSC 1480 (MG).

As advised by R.D.S.O. vide their letter No. MC/PCF/F dated 29-6-82 Railways have to take action as detailed out in para 2 in regard to abolishing the luggage racks and converting the area into berths.

- (b) Second class coaches—BEML 2-tier sleeper (CSC 1471 Model 413), BEML sitting-cum-3-tier sleeper (CSC 1490 Model 421), ICF-2-tier day-cum-sleeper (ICF layout Drg. No. CNT-9-0-004), ICF sitting-cum-sleeper (CSC 1522 ICF layout Drg. No. SCN-9-0-001), ICF II sleeper (CSC 1550-ICF layout Drg. No. SCN 9-0-201) and IRS Timber-bodied II class day-cum-sleeper (CSC 1315).

Instructions have to be implemented as envisaged in paras 3 and 4 of DRSO's letter dated 29-6-82, viz. eliminating luggage compartment and utilising the space so released for provision of passenger berths.

- (c) 3-tier sleeper coaches (BG) Drg. No. CSC 1503 for ICF and CSC 1585 for BEML.

Three traverse berths facing the lavatories be removed and space released be utilised for providing linen room, thali racks, drinking water container and an additional overhead roof water tank of 400 litre capacity as per RDSO Sketch No. 77190. The manufacture of new BG second class sleeper coaches is also to be without the 3 odd berths facing lavatories.

No berths have, however, to be given up in the metre gauge II class sleeper 3-tier coaches, as no odd berths face the lavatories.

Receipt of this letter may please be acknowledged.

Sd/-

(G. K. MALHOTRA)

Addl. Director, Mech. Engineering (RS)

Railway Board.

Copy to Director General (Carriage), RDSO, Lucknow with reference to their letter No. MC/PCE/F dated 16.3.1983. In this connection Board's letter of even No. 4-2-83 may also be connected.

Recommendation

The Committee find that inadequate production of passenger coaches was not made up by more effective utilisation of available coaches. The percentage of ineffective for all passenger coaches (BG) as per statistical records compiled by the Railways, increased from 12.74 during 1976-77 to 31.90 in 1979-80 and still further to 14.46 in 1980-81. A census carried out by the Railway administration in March 1981 (with reference to the position of all passenger coaches including coaches found defective at the time of departure of trains, showed that the actual extent ineffective was far higher, being between 19.9 per cent and 22.5 per cent. It was particularly heavy in respect of AC (all type) 22.8 to 22.6 per cent), First Class (23.9 per cent), Second Class general (20.5 per cent), Second Class two tier (22.2 per cent) and SLR coaches (9.5 per cent). Thus the coaches remained idle for longer periods than what was shown in the statistical records and consequently the percentage of actual ineffective was much more than prescribed target norm of 14 per cent. Correspondingly, the availability of space coaches (target norm 12.5 per cent) also got reduced affecting their availability for traffic.

[S. No. 18, para 136 of 154th Report of PAC-1982-83
(VII Lok Sabha)]

Action Taken

Coaches are considered statistically ineffective only if they remain under repairs for more than 24 hrs. Coaches marked sick, but released to traffic within this stipulated period of 24 hrs. are not considered ineffective. This is logical when one considers that the norm pattern of train arrivals|departures at Rake Maintenance Depots is arrival in the morning and departure in the evening or vice versa. There is therefore, an incentive to get a coach repaired promptly after detachment from the rake so that it is available duly repaired to be re-attached to the rake. The census figures quoted include even such coaches as are under repair for upto 24 hrs. and, therefore, the disparity between the statistical ineffective figures and those reported by census.

The 14 per cent target of statistically ineffective coaches is applicable to coaches when viewed overall. AC coaches require much more attention than other types of coaches. So do the first class coaches and other upholstered coaches.

Every effort is being made to improve the quality of repairs so that the incidence of 'sick' marking of coaches is reduced and simultaneously to expedite the repairs so that the number 'under repairs' (and hence the ineffective percentage also) is reduced.

Audit Observations

Seen. Thanks.

The Board are requested to amplify the action taken note duly bringing out the remedial measures taken to improve the position of ineffective coaches and also furnish the figures of ineffective coaches class wise viz. AC-I, AC-II tier, AC Chair car, I Class, II Class for the years 1982-83 and 1983-84 for the information of PAC.

The observation made by Audit have been noted and further communication will follow.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/
VII|154 dated 23-11-1984]

Recommendation

The Committee note that 26.5 per cent of the coaching stock remains out of traffic use, being under repairs (14 per cent) and held as spares (12.5 per cent). The Railway Board have accepted this to be capable of improvement. A reduction of 5 per cent in the ineffectives

would release large number of coaches (1,448 numbers—5 per cent of 98,260) and consequently reduce the requirements of additional coaches. As such, the Committee consider that immediate steps are necessary in the interest of overall economy to plan and provide facilities to achieve such reduction.

The Committee have been informed that due to closure of large number of steam loco sheds due to gradual withdrawal of steam traction 3,600 artisans have been released as surplus. The Committee, therefore, recommend that urgent steps should be initiated to gainfully utilise the surplus artisans to achieve the aforesaid objective.

[S. No. 23, para 141 of 154th Report of PAC (1982-83)
(Seventh Lok Sabha)]

Action Taken

The Ministry of Railways is already taking action to implement the Committee's recommendation. For instance, the main thrust of the ongoing workshop Modernisation Project, aided by the World Bank, is reduction in repair days so that rolling stock is available for traffic use for a larger number of days. Phase II of the project also aims at the same results. Similarly, most of the Steam Loco Sheds staff released due to closure of Steam Loco Sheds on account of programmed dieselisation and electrification are being utilised for coach or wagon maintenance. The above steps will involve reduction in the 'ineffectives'. Regarding the traffic spares, it may be indicated that 12.1|29 is essential to cater to day to day fluctuations in passenger traffic, movement of para military, educational and tourists groups etc. and it cannot be reduced without adversely affecting the railways capability to move such traffic. In any case, the railway does not at present have reserve stock to this extent.

Instructions already exist for the absorption of surplus staff generated due to closing down of steam loco sheds etc. by re-deployment against existing vacancies in identical grades or against new posts which are to be created for new activities.

This has been seen by Audit who have made the following observations:—

Seen. Thanks. The following remarks are offered.

Para-1 Reduction in the number of coaches underawaiting repairs.

Since remedial measures have been taken from 1981-82, the Board may kindly indicate Railway-wise improvement (in term of percentage, if numbers are not available) during 1982-83, 1983-84 and 1984-85 (so far).

Para-2 This is an interim reply. The details of Railway wise surplus staff when received from Railways may kindly be furnished to the PAC.

Para-3 The note may kindly be amplified to bring out the follow up action taken by the Zonal Railways details of economy effected in terms of number of post surrendered/saved by redeployment of surplus staff against future vacancies (1983-84) financial saving effected, Railway-wise for information of the Committee.

The observations made by Audit have been noted and further communication will follow.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/VII 154 dated 23-10-1984]

Recommendation

The Committee regret to observe that as much as 36 per cent of the time of the coaches is spent at terminals as against 37 per cent of its run time in train. Among the contributory causes of the long 'terminal lie over' are inadequate maintenance and washing facilities at terminals and rakes remaining idle for long periods. According to a study conducted by the Efficiency Bureau of the Railway Board, the main reason for excessive 'terminal lie over' of the coaches is the dissimilar composition of the rakes. The lie over at terminals can be reduced if the composition of rakes of trains providing similar types of services is standardized and the rakes are utilised on first-in-first-cut basis at terminals after being given due maintenance. The Railway Board are stated to have already taken a decision to standardize the rake composition for 21 coach and 17 coach trains and necessary instructions have been issued. The Committee are of the view that a study of this type was long overdue. It is unfortunate that the Board have realised the need for it so belatedly. The Committee would urge that the question of standardization of rake composition of all mail/express trains should be examined by All Zonal Railways/Railway Board on a priority basis and necessary steps taken to improve the utilization of the available assets. In course of time this exercise can be extended to other passenger trains also. The Committee would like to be apprised of the steps taken in this direction and the results achieved. The Committee further observe that sizeable reduction in the period of lie over would yield more vehicles for passenger utilisation and can reduce and need for addition to a great extent. The Committee would therefore recommend that a review of the washing and maintenance facilities for the coaches at the terminals be undertaken urgently with a view to improve and modernise the same. The steps taken as a result be advised to the Committee.

[S. No. 31 para 149 of the 164th Report of PAC (1982-83)
(Seventh Lok Sabha)]

Action Taken

The observations made by the Committee regarding poor utilisation of coaching stock have been noted.

Continuous efforts have been made to reduce the terminal lie-over at various terminals by tightening|combining the coaching rake links and extending the runs of trains so that the ratio between running time and lie-over at terminals (to suit both the pattern of movement and inescapable maintenance|servicing requirements) is reduced.

Standardisation of rakes have also been done and being pursued with a view to integrate the rakes and thus reduce lie-over. There are limitations in this direction because of the type of service required during day and night and also on various routes depending upon whether they are short distance or long distance, special requirements such as postal vans, pantry cars, etc.

Steps taken in this direction have resulted in better utilisation of coaches as will be seen from the following figures of vehicle kilometres per day during the past three years.

1980-81	1981-82	1982-83
314	317	342

The facilities available at terminals for the maintenance/servicing of coaching rakes are being reviewed every year and, within the constraints of funds made available each year, improvements|additions are provided for through the Works Programme. A team is also being appointed to make a complete study of the practices/orders pertaining to the maintenance/servicing of coaching stock and improvements/additions suggested by it will be implemented, within the constraints of funds made available, through the Works Programme.

This has been seen by Audit, and as desired by them final result of the action taken on the recommendations of the Committee appointed by the Railway Board will be apprised to Public Accounts Committee in due course.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/
VII 154 dated 23-11-1984]

Recommendation

The extant instructions provide for a test check, at least once a month, by officers not below the rank of Senior Scale, of the correct observance of the producers, etc. in regard to the reservation arrangements. Audit have pointed out that there was no evidence on

record of such test checks having been carried out. The Committee need hardly point out that this is an area where the travelling Public comes into contact with the Railway staff at the cutting edge level. More often than not, the experience of passengers is quite unsavoury. The Committee consider that while there is obviously a need to streamline the procedures and to provide additional reservation counters at stations where traffic is heavy, it is at the same time very necessary that an effective check is exercised by the supervisory officers so as to eliminate corrupt practices which are known to be widely prevalent. It is also necessary to have frequent surprise check of the allotment of berths by train officials specially in lower class during the initial run of important long distance mail/express trains from the starting stations. The Committee would, therefore, like the Ministry of Railways to take tangible steps in this direction in consultation with the Zonal Railway Managers.

The Committee understand that the Indian Railways Amendment Act, 1982 which sought to curb malpractices in the matter of reservations by prescribing deterrent punishment to persons carrying on business in procurement and supply of rail tickets/reservations in an unauthorised manner, has been challenged in the Supreme Court and a stay obtained. The Committee would urge the Ministry of Railways to move the Court to get the stay vacated, if not already done, and to be appointed of the outcome of the case.

[S. No. 32 Para 150 of 154th Report of PAC (1982-83)
(Seventh Lok Sabha)]

Action Taken

Instructions have been issued to Zonal Railways to reiterate to all concerned, the need for carrying out the prescribed test checks meticulously and to suitably take up any instances of default. The Railways have also been asked to evolve a suitable system for monitoring the functioning of the system of test checks.

It may be added that the following measures are being pursued by the Railways on a regular basis, to curb malpractices in reservations:

- (i) Enforcement of the system of RAC (Reservations against anticipated cancellations) in accordance with which a specified number of senior-most wait-listed passengers are allotted confirmed sitting accommodation at

the counter and later allotted berths on the departure of the train against vacancies occurring due to non-turning up of passengers with confirmed reservations. This measure has practically eliminated the scope for train staff making arbitrary allotments.

- (ii) Surveillance over reservation/booking offices by commercial/vigilance organisations with a view to apprehending touts.
- (iii) Scrutiny of reservation slips tendered by passengers and making door to door checks or sending reply paid letters to verify genuineness of reservations made, in doubtful cases.
- (iv) Intensive checks on trains to detect cases of transferred reservations.

With regard to the stay of the operation of the Indian Railways (Amendment) Act, 1982, it is stated that hearing of the various petitions challenging the constitutional validity of the Act has already commenced in the Supreme Court and the matter may be decided in the near future. The Committee would be apprised of the final outcome in due course.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/VII/154 dated 16-1-1984].

Recommendation

The Audit paragraph has identified a number of problem areas/bottlenecks in so far as passenger traffic both suburban and non-suburban is concerned. The Committee have dealt with only a few of the numerous important points raised by Audit. The Committee have no doubt that the various other issues highlighted in the Audit Report which the Committee have not touched upon in this Report, shall be gone into with all seriousness and necessary remedial measures taken to improve the services.

[S. No. 33 Para 151 of PAC's 154th Report 1982-83-VII Lok Sabha].

Action taken

The observations of the Committee are noted. Other issues are being identified and would be dealt with suitably. A report on the action taken in this regard will be sent to the committee.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 83-BC-PAC/VII 154 dated 16-1-1984].

NEW DELHI;
12 August, 1985
21 Sravana, 1907(S)

E. AYYAPU REDDY,
Chairman,
Public Accounts Committee.

PART II

MINUTES OF THE 7TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 8 AUGUST, 1985 (AN)

The Committee sat from 1530 to 1700 hrs.

PRESENT

Shri E. Ayyapu Reddy—*Chairman*

MEMBERS

Lok Sabha

2. Shri J. Chokka Rao
3. Shri Amal Datta
4. Shri Ranjit Singh Gaekwad
5. Shrimati Prabhawati Gupta
6. Shri G. Devaraya Naik
7. Shri Rajmangal Pande
8. Shri S. Singaravadival
9. Shri Simon Tigga
10. Shri Girdhari Lal Vyas

Rajya Sabha

11. Shrimati Amarjit Kaur
12. Shri Nirmal Chatterjee
13. Shri Chaturanan Mishra
14. Shri K. L. N. Prasad
15. Shri Ramanand Yadav

SECRETARIAT

1. Shri K. H. Chhaya—*Chief Financial Committee Officer.*
2. Shri R. C. Anand—*Senior Financial Committee Officer.*
3. Shri Krishnapal Singh—*Senior Financial Committee Officer.*
4. Shri Brahmanand—*Senior Financial Committee Officer.*

REPRESENTATIVES OF THE OFFICE OF C&AG

1. Shri T. M. George—*Additional Deputy Comptroller and Auditor General of India.*
2. Shri P. C. Athana—*Additional Deputy Comptroller and Auditor General of India.*
3. Shri A. K. Jain—*Director of Audit-II (CR).*
4. Shri P. N. Mishra—*Jt. Director (Railways)*

* * * * *

II. *Consideration and adoption of Action Taken Report*

The Committee then considered the following Draft Reports and adopted the same with certain modifications/amendments as shown in Annexure I and.....

- (i) Draft Report on action taken on 154th Report (7th Lok Sabha) of Public Accounts Committee relating to Coaching Services; and

* * * * *

The Committee also authorised the Chairman to make verbal and consequential changes in the Reports and present them to the House.

* * * * *

The Committee then adjourned

ANNEXURE I

Amendments/Modifications made by Public Accounts Committee at their sitting held on 8 August 1985 (A.N) in Draft Report on Action Taken on the 154th Report (Seventh Lok Sabha) on Coaching Services.

Sl. No.	Page	Para	Line	Amendments/Modifications
1	5	1-8	6-10	<p><i>For 'As many of the overaged coaches of Sixth Plan will continue to be used besides accrual of requirement of many more coaches during Seventh Plan, (on replacement as well as additional account).</i></p> <p><i>(Substitute 'As the requirement of coaches will increase both on replacement as well as on additional account.</i></p>
2	13	1-17	8-11	<p><i>For 'coaches. Thus, more than 34% (i.e. 22.2 plus 12.5 as spares) of the fleet remained immobilised, being under repair and as spares.'</i></p> <p><i>Substitute 'which is between 6 to 8% more than the norm'.</i></p>
3	13	1-17	4th from bottom	<p><i>For 'should also take care of'</i></p> <p><i>Substitute 'should be such so as to take care also of.'</i></p>

APPENDIX

Statement of Recommendations|Observations

Sl. No.	Para No.	Ministry Deptt. concerned	Recommendations Observations
1	2	3	4
1	1.4	Railway	<p>The Committee regret to observe that although a period of nearly 2 years has elapsed since 154th Report (Seventh Lok Sabha) was presented to the House, the final action taken replies in respect of recommendations—Sl. Nos. 14—16, 18, 23 and 31—33 are still outstanding. They desire that the final replies in respect of aforesaid recommendations should be submitted to the Committee without any further delay.</p>
2	1.8	-do-	<p>The Committee had, in the earlier report observed that with the available funds in the Sixth Plan, the Railways might be able to manufacture only 5,000 coaches against the minimum requirement of 14,000 coaches which would not even be sufficient to replace the 7,800 overaged coaches. This was bound to reflect adversely on the efficiency of passengers' services and safety of passengers. Ministry of Railways have stated that the imbalance in supply and demand of coaches is at present both because of limitation of funds and limitation of capacity. A decision has been taken to set up a second coach factory and to step up the capacity at the Integral</p>

Coach Factory from 750 coaches to 1000 coaches per annum. A modernisation and capacity generation project costing Rs. 47.60 crores is stated to have been included in the works programme for 1984-85. Further, according to Ministry of Railways (Railway Board), only such overaged coaches which after detailed examination are fit and safe for efficient service and whose condemnation merely on the basis of codal life is not necessary, are being continued in service. The Committee would impress upon the Union Government the necessity to expedite the completion of technical study entrusted to Rail India Technical and Economic Services regarding the location, lay-out, etc. of the new coach factory to be set up so that the new factory could be established and production of coaches be started at the earliest. The augmentation of capacity of Integral Coach Factory may also be completed at an early date. The Committee would like to be apprised of the progress made in this direction.

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As the requirement of Coaches will increase both on replacement as well as on additional account the Committee cannot but strongly urge the Planing Commission for stepping up the allocation to the Railways to enable them to execute the necessary schemes referred to above expeditiously so that new coaches could be added to the existing stock after discarding the overaged coaches. The Committee note (cf. Para 141 of 154th Report, 7th Lok Sabha) that 26.5 per cent of the coaching stock remained out of traffic use. Even a reduction of 5 per cent of total effectiveness by optimum utilisation of the existig capacity of POH workshops and resorting to modern tech-

niques would result in availability of sufficient number of coaches. The Committee would expect the Railways to take initiative in this direction.

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1.11

Railway

The Committee had earlier recommended that a realistic assessment be made of the growth of passengers traffic involving say, a lead of 500 kms. and above with a view to projecting and planning the requirements over the next 5-10 years. The Committee had also recommended a comprehensive study to be carried out with regard to intercity travel keeping in view the new growth centres that are rapidly emerging in the wake of growing industrial/economic activities all over the country. Ministry of Railways (Railway Board) have stated that in connection with the formulation of the Seventh Plan, Sub-groups have been constituted to undertake indepth study in key-areas and to study and assess the demand for passengers traffic, taking into account the trend, the emerging growth centre over the 5 years period 1985—90. The Committee would like to be apprised of the main recommendations made by these sub-groups and the action taken/proposed to be taken by the Government in this regard.

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The Committee in their earlier Report had asked the Ministry of Railways (Railway Board) to take all measures necessary to step up their allocations to execute the necessary schemes for augmenting the production of coaches, maintenance facilities etc. by generating additional resources out of their own revenues, cutting down all wasteful expenditure. The Ministry of Railways (Railway Board) in

their action taken note have *inter alia*, stated that the Railways have stepped up their efforts to generate additional resources internally, but the extent of which depends on the fare and freight structure which in turn depends on a variety of factors. The Committee are unable to appreciate this argument. In the opinion, of the Committee, larger resources can be generated within the same structure by efficient and optimal utilisation of the existing assets and economical and efficient use of the resources. The Committee would, therefore, urge the Ministry of Railways to spell and specify the steps taken in this direction.

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As per the prescribed norms, 14 per cent of the coaching stock remains out of traffic use being under POH repairs and another 12.5 per cent are kept as spares. However, as per the actual census taken by the Railway Administration in March 1981, the actual percentage of coaches under repairs was 20.5 per cent to 22.2 per cent for Second class coaches and 23.9 per cent for first class coaches which is between 6 to 8 per cent more than the norm. This certainly does not depict a healthy picture of repair and look after facilities on Railways. While the Committee note that the efforts are being made to optimise the use of the existing coach building capacity in the country, the Committee strongly urge the Railways to take immediate steps to further streamline the repair facilities with a view to reduce the number of ineffective coaches. The Committee recommend that look after, repair and POH facilities planned should be such so as to take care also of the additional coaches inducted into service as per accelerated coach building programme now proposed.

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