

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:2680
ANSWERED ON:01.08.2002
RATIONALISATION OF LONGER CARRIED ROUTES
RAVINDRA KUMAR PANDEY

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Government are aware that Northern Railway and Western Railway administration failed to recommend to Railway Board rationalisation of longer carried routes for cement clinker and foodgrain traffic in compliance of Board's directive of February, 1976 reiterated from time to time and this lapse resulted in loss of revenue of Rs. 40.14 crores;
- (b) if so, whether such facts reveal on CAG's Report No. 9 of 2002;
- (c) if so, the details thereof; and
- (d) the action taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI BANDARU DATTATRAYA)

(a): No recommendation had been received from Northern and Western Railway to rationalise longer carried routes for cement clinker and foodgrain traffic during 1996-2001. Rationalisation via any longer route is done after considering all relevant factors including the capability of the traffic to bear the extra cost and likelihood of its diversion to alternative modes of transportation thereby causing heavy loss of revenue to Railways. The movement of traffic was in accordance with existing Railway rules.

(b) : Yes, Sir.

(c) : A summary of the cases as brought out by Audit and CAG Report 9 of 2002 to the notice of Railway Administration are given as below:- The Audit has made a reference to the Railways about loss of revenue due to the movement of loose clinker and cement traffic regularly in train load from cement siding/stations on Central Railway to destination on Northern Railway booked by the shortest route but actually carried by the longer route. In its Action Taken Note, Ministry of Railways (Railway Board) has intimated that cement being high profit yielding commodity for Railway, rationalisation of longer route would have definitely resulted in loss of traffic which the Railway could not afford. It was pointed out that cement traffic could have easily diverted to road if charged via longer route. Audit has also pointed out loss on account of movement of foodgrain traffic booked by Food Corporation of India (FCI) from various stations of Northern Railway to stations on Western Railway. The traffic was moved via longer route due to operational constraints including reversal of locomotives which was involved in movement via shorter route.

(d) : Since rationalisation of traffic via longer route could have diverted the traffic to alternate mode of transport in highly competitive scenario, rationalization via longer route was not proposed.. The traffic continues to move via longer route though charging is done via shortest route in accordance to Rule 125 of Goods Tariff part I, Volume I.