

**HUNDRED AND NINETY-NINTH
REPORT**

**PUBLIC ACCOUNTS COMMITTEE
(1983-84)**

(SEVENTH LOK SABHA)

WAGON AVAILABILITY ON THE RAILWAYS

(MINISTRY OF RAILWAYS)

[Action taken on 103rd Report (Seventh Lok Sabha)]

Presented in Lok Sabha on 23 APR 1984

Laid in Rajya Sabha on 12 APR 1984

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1984/Chaitra, 1906 (Saka)

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CORRIGENDA TO 199TH REPORT OF PUBLIC
ACCOUNTS COMMITTEE

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PUBLIC ACCOUNTS COMMITTEE

(1983-84)

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*Ceased to be member of the Committee consequent upon his retirement from Rajya Sabha w.e.f. 2.4.1984.

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Hundred and Ninety-ninth Report on action taken by Government on the recommendations of the Committee contained in their 103rd Report (7th Lok Sabha) regarding 'Wagon availability on the Railways.'

2. In this Action Taken Report, the Committee have observed that the total number of wagons likely to be procured during the Sixth Plan period will be 69,476, as against the requirement of 1.93 lakhs wagons and the Plan procurement target of one lakh wagons. Making allowance for 64,000 wagons for replacement of overaged wagons, the net addition will be barely 5,476 wagons. The Committee have expressed concern that not to speak of the original Plan target of 309 million tonnes of revenue earning freight traffic, even the revised target of 285 million tonnes of traffic has been substantially scaled down to 245 million tonnes in 1984-85. The Committee have reiterated that the Railway Board should again urge on Planning Commission to allocate adequate funds to enable them to replace their overaged rolling stock and make requisite addition to the same so that the Railways could achieve maximum possible freight traffic. In the meantime, the Railway Board should try to generate additional funds out of their own resources by efficient and concentrated utilisation of the existing assets and by cutting all wasteful expenditure so as to procure more wagons. The Committee have also expressed the view that without significant addition to wagon fleet there could be improvement in the traffic carried by improving wagon turnround.

3. The Committee considered and adopted the Report at their sitting held on 28 March, 1984. Minutes of the sitting form Part II of the Report.

4. 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.

(vi)

5. 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.

SUNIL MAITRA,
Chairman,
Public Accounts Committee

NEW DELHI ;

9 April 1984

20 Chitra 1906(S)

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 103rd Report (Seventh Lok Sabha) on Paragraph 1 of the Advance Report of Comptroller and Auditor General of India for the year 1979-80, Union Government (Railways) regarding 'Wagon availability on the Railways'.

1.2 The Committee's 103rd Report was presented to the Lok Sabha on 30 April, 1982. It contained 46 recommendations|observotions. 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—6, 10—20, 22--25, 28, 30—33 and 36—45.
- (ii) Recommendations|observations which the Committee do not desire to pursue in view of the replies of Government: Sl. Nos. 8, 9, 27, 29, 34, 35 and 46.
- (iii) Recommendations|observations the replies to which have not been accepted by the Committee and which require reiteration: Sl. Nos. 7 and 21.
- (iv) Recommendaions|observations in respect of which Government have given interim reply: Sl. No. 26.

1.4 The Committee regret to observe that although a period of nearly two years has elapsed since the 103rd Report (Seventh Lok Sabha) was presented to the House, final action taken reply in respect of one of the recommendations—S. No. 26—is still to be furnished by the Ministry. They desire that the final reply in respect of the aforesaid recommendation should be submitted to the Committee without further delay.

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

Procurement of Wagons

(Para 183, Sl. No. 7)

1.6 Apprehending that due to inadequate allocation of funds for rolling stock and consequent less procurement thereof during the Seventh Plan the Railways would not be able to achieve even the curtailed target of 280 million tonnes of freight traffic by 1984-85 the Committee had recommended in the above paragraph as under :

“The Committee have been informed that the Planning Commission had provided funds for procurement of 1 lakh additional wagons during the Sixth Plan period against a requirement of 1.93 lakh wagons. Out of these, 50,000 wagons (in terms of 4-wheelers) were to replace overaged wagons which will number 64,000 during the plan. However, due to escalation in costs and financial constraints it will now be possible to procure only 75,000 wagons during the Sixth Plan period. In case all the overaged wagons are replaced, there will be a net addition of only 11,000 wagons. The Committee note that the Sixth Plan provides for a target of 309 million tonnes of originating traffic to be hauled by the Railways in 1984-85. However, the Ministry of Railways have stated that due to inadequate allocation of funds it would not be possible for them to carry more than 280 million tonnes. The Committee have, however, an apprehension that due to inadequate rolling stock and in view of the fact that even in 1982-83 i.e. third year of the Plan, Railways have fixed the target of carrying only 230 million tonnes of freight traffic it would not be possible for the Railways to achieve even the target of 280 million tonnes of traffic by 1984-85. This would inevitably have an adverse impact on the various sectors of the economy. The Committee, therefore, recommend that the Planning Commission should examine the matter in depth and make adequate allocation to enable Railways to replace their overaged rolling stock and make requisite addition to the same to achieve the target of freight traffic contemplated in the Plan. In addition, the Committee would recommend that the Ministry of Railways (Railway Board) should also accord due priority to allocation out of available funds for increasing vital traffic facilities, track renewals, etc. to optimise the use of available wagons, by reducing the turn-round etc.”

1.7 The Ministry of Railways (Railway Board) have stated in their reply dated 12 March, 1983 as under :

"At the time of the formulation of the Sixth Five Year Plan an outlay of Rs. 5100 crores was approved for the Railways on the basis of overall availability of resources. Within this outlay, one lakh wagons were to be procured to meet the needs both of replacement of overaged wagons and for the additional traffic generated in the Plan period. On account of price escalation, it is now apprehended that within the funds available it will not be possible to procure more than 78,000 wagons.

Railways' requirement of wagons is assessed annually at the time of formulation of Annual Plans, but procurement plan is ultimately subjected to availability of funds for purchase of wagons.

Whatever be the freight traffic requirements by the terminal year of the Sixth Plan 1984-85, with the procurement of 78,000 wagons altogether and using 64,000 of them for replacement of overaged wagons, the railways will be able, at best, to lift 285 million tonnes of originating traffic with an average lead of 710 km., against 309 million tonnes in the Sixth Plan. Even achievement of 285 million tonnes would be possible only through improvements in wagon utilisation as achieved in the past two years, from 1045 Net Tonne Kilometre per wagon day in use to 1175 NTKMs.

Taking into account the importance of Railway as a basic infrastructure, the needs of investment of Railways are considered in the Planning Commission only within the overall availability of various resources which are distributed amongst various sectors according to their respective priority. Against the requirement of Rs. 11,000 crores, as assessed by the Working Group on Railways, an outlay of only Rs. 5100 crores could be approved by the Planning Commission for the Sixth Five Year Plan. The actual anticipated expenditure during the first three years itself is likely to reach a level of Rs. 3510 crores which is more than what would normally flow in 3 years from a Sixth Plan outlay of Rs. 5100 crores. Mid-term review as prepared by the Railways was also considered by the Planning Commission for increasing the outlay but only subject to overall availability of nation's resources.

The production of wagons during the Sixth Plan (in 4-wheeler) is as follows:

1980-81 (Actual)	12064
1981-82 (Actual)	17362
1982-83 (Revised target)	15550
1983-84 (Target)	12500
Total	<u>57476</u>

The production of the balance wagons depends on the allocation of funds during 1984-85, the last year of the Sixth Plan."

1.8 In the earlier Report, it had been mentioned that with an outlay of Rs. 5100 crores approved for the Railways by the Planning Commission, one lakh additional wagons were expected to be procured during the Sixth Plan, against a requirement of 1.93 lakh wagons. In their action taken reply, the Ministry have expressed an apprehension that on account of price escalation, it would not be possible to procure more than 78,000 wagons during the Sixth Plan period. With the procurement of 78,000 wagons altogether in the Sixth Plan and using 64,000 of them for replacement of overaged wagons, the Railways would be able at best, to lift 285 million tonnes of originating traffic with an average lead of 710 km. against the target of 309 million tonnes provided for the Sixth Plan. Even achievement of 285 million tonnes according to them would be possible only through improvements in wagon utilisation as achieved in the past two years, from 1045 Net Tonne Kilometre per wagon day in use to 1175 Net Tonne Kilometres. This is indeed a very depressing picture. The Committee are informed that the production of wagons during the first four years of the Sixth Plan would be approximately 57,476. From the Budget Speech (24-2-84) of the Railway Minister for the year 1984-85, the Committee note that with present allocation for the Annual Plan (1984-85), the Railways will be able to acquire only 12,000 wagons. In other words the total number of wagons procured during the Sixth Plan period will be 69,476 as against the requirement of 1.93 lakhs wagons and the Plan procurement target of one lakh wagons. Making allowance for 64,000 wagons for replacement of overaged wagons, the net addition thus will be barely 5,476 wagons. From the Explanatory memorandum on the Railway Budget 1984-85, it is seen that a target of 245 million tonnes of freight traffic had been fixed for 1984-85. Thus, not to speak of original target of 309 million tonnes of revenue earning traffic, even the revised target of

285 million tonnes of freight traffic has been substantially scaled down. This is a cause of real concern. The Committee would like to know whether wagon availability is the only constraint in achieving the original target of 309 million tonne in the terminal year of the Plan. The Committee nevertheless reiterate that the Railway Board should again urge on Planning Commission to allocate funds to enable them to replace their overaged rolling stock and make requisite addition to the same so that Railways could achieve maximum possible freight traffic. In the meantime, the Ministry of Railways (Railway Board) should try to generate additional funds out of their own resources by efficient and concentrated utilisation of the existing assets and by cutting all wasteful expenditure etc. so as to procure more wagons. The Committee feel at the same time that even without significant addition to wagon fleet there could be improvement in the traffic carried by improving the wagon turn-round. It is also important to have healthy fleet of wagons with greater mobility which can be ensured by better maintenance by augmenting POH workshops and their capacity utilisation. The Committee expect the Railways to take necessary steps in this direction so as to meet the traffic requirements by the end of the Sixth Plan.

Overloading of Wagons

(Para 197—Sl. No. 21)

1.9 Expressing concern over overloading of wagons leading to damage to wagons, the Committee had, in their earlier Report, observed as under :

“Further, the proper loading of wagons upto their carrying capacity is required to be ensured and adjustment of loads is made so as to avoid underloading or overloading. A review of coal loaded wagons despatched from collieries revealed that there were cases of overloading of wagons leading to damage to wagons. On the Eastern Railway during 1976 to 1979, overloading of coal wagons varied from 14.7 to 39.7 per cent in the case of BOX wagons and from 11.9 to 43.1 per cent in the case of four wheeler wagons. As a result 33659 bearing springs of BOX wagons were damaged and the Railways administration had to incur expenditure of Rs. 64.63 lakhs on repair. The rules provide for adjustment of loads on the spot after weighment and levy of stringent demurrage charges for non-adjustment of loads. Though adequate weighment facilities exist in the Depot Yards of the Railways these rules were not being strictly observed and charges against the collieries were not being enforced. The Committee are not satisfied with the reply of the Railway

Board that adequate facilities for weighment of wagons in depot yards do not necessarily imply adequate facility for adjustment of loads whenever loading of wagons attains large proportions and that it is for the coal companies to do correct loading as far as possible to avoid other difficulties. Since overloading contributes to damage and consequent sickness to the wagons and possibilities of over-loading of wagons are more at the loading point, it is for the Railways to ensure that the wagons are not overloaded at any point and particularly at loading points."

1.10 In their reply dated 5 March, 1983, the Ministry of Railways (Railway Board) have stated :

"It is submitted that the responsibility for loading wagons upto its admissible carrying capacity rests with the consignors. To enable the parties not to exceed the permissible carrying capacity while loading, load lines have been marked on the wagons for different minerals. Further, with a view to discouraging overloading of wagons by the consignors, a new rule has been incorporated in the Goods Tariff w.e.f. 10-9-1981 which provides that in case the extent of overload detected at the loading point, en route or at destination exceeds one tonne over the permissible carrying capacity of the wagon, the entire overload should be charged at the 'Smalls' rate, which is much higher than the wagon-load rate. Further, when wagons found overloaded with coal are received on the Railways for despatch, the overload is adjusted wherever feasible and the Railways levy demurrage on wagons detained for adjustment at rates ranging from Rs. 8 to Rs. 104 per wagon as indicated below.

Where the number of overloaded wagons received from any colliery in any one calendar month exceeds 3 per cent of the total number of wagons received from that colliery in that month, a demurrage charge is levied, not exceeding :

- (i) Rs. 8 per wagon, where the proportion of overloaded wagon does not exceed 7 per cent,
- (ii) Rs. 16 per wagon, where the proportion of overloaded wagons does not exceed 10 per cent,
- (iii) Rs. 38 per wagon, where the proportion of overloaded wagons does not exceed 15 per cent,

- (iv) Rs. 52 per wagon, where the proportion of overloaded wagons does not exceed 20 per cent, and
- (v) Rs. 104 per wagon, where the proportion of overloaded wagons exceeds 20 per cent.

Adjustment of load of centre buffer coupler fitted wagons, from a rake is not possible in yards. If this has to be done, it will be necessary to remodel the yards on a large scale to provide the facilities required for adjustment of loads. Such a step will cast a heavy burden on the already strained Railway finances without offering commensurate advantages."

1.11 In their earlier Report, the Committee had observed that since overloading contributes to damage and consequent sickness to the wagons and possibilities of over-loading of wagons are more at the loading point, it is for the Railways to ensure that the wagons are not overloaded at any point and particularly at loading points. In their action taken reply, the Ministry have argued that the responsibility for loading wagons upto its permissible carrying capacity rests with the consigners. To enable the parties not to exceed the permissible carrying capacity while loading, load lines have been marked on the wagons for different minerals. With a view to discouraging overloading of wagons by the consignors, a new rule is stated to have been incorporated in the Goods Tariff w.e.f. 10-9-1981 which provides that in case the extent of overload detected at the loading point en route or at destination exceeds one tonne over the permissible carrying capacity of the wagon, the entire overload should be charged at the 'smalls' rate, which is much higher than the wagon load rate. Further, when wagons found overloaded with coal are received on the Railways for despatch, the overload is adjusted wherever feasible and the Railways levy demurrage on wagons detained for adjustment at rates ranging from Rs. 8 to Rs. 104 per wagon. The Committee are not satisfied with the above explanation. It is hardly necessary for them to re-stress that overloading of wagons adversely affects the life of axles and other components of wagons which are bound to result in the shortening of the life span of, already inadequate, wagons. Besides, the Railways have to incur substantial amount on repairs as is evident from the fact that as a result of overloading of coal wagons on Eastern Railway during 1976 to 1979, 33,659 bearing springs of Box wagons were damaged and the Railway Administration had to incur expenditure of Rs. 64.63 lakhs on repair. Also, the repair capacity of workshops is limited. Therefore to maintain the fleet of wagons healthy and avoid their early sickness it is necessary that the wagons are not overloaded. To this end, the Committee would like the Ministry of Railways to reconsider whether some system could

be evolved whereby it becomes possible for the Railway officials to check all loaded wagons before they come out of the important loading centres viz. collieries, steel plants, cement factories, food godowns, etc. so that only the wagons having load within permissible carrying capacity are allowed to proceed to their destinations. The Committee would also like the Ministry to consider the feasibility of substantially increasing the charges for overloads so as to make them really deterrent.

Marshalling Yards

(Para 195—Sl. No. 19)

1.12 Dealing with a review of some of the yard re-modelling projects and line capacity works on certain zonal railways, the Committee had in para 195 of their Report observed as follows :—

“The Committee further observe that a review of some of the yard remodelling projects and line capacity works on the Eastern, Northern, Southern, South Central, South Eastern, Eastern and Western Railways undertaken to ease congestion and reduce detentions to wagons and goods trains had revealed that these were either not been planned/executed in a manner that could relieve congestion or were taken up after considerable delay and the pace of their execution had been slow. The Public Accounts Committee, in their 11th Report (Sixth Lok Sabha), had recommended a comprehensive study of the major yards with a view to streamlining their working. The Committee find that although, in pursuance of this, Railways have undertaken a comprehensive study of various major marshalling yards, the studies have been completed for 10 yards only. Even in the case of these 10 yards, majority of recommendations though accepted by the Railways are still to be implemented. The Committee would like the Railway Board to ensure that Zonal Railways take necessary action for implementation of these recommendations and complete studies of the remaining major yards as early as possible.”

1.13 In their reply dated 10 March, 1983 the Ministry of Railways (Railway Board) have stated as follows :

“In pursuance of the recommendations of the Public Accounts Committee in their 11th Report (Sixth Lok Sabha) the Railways have already completed comprehensive study of 13 Marshalling Yards.

Out of the 450 recommendations accepted in respect of Reports on 13 Marshalling Yards, 267 have been implemented and 183 are under implementation.

Studies of other marshalling yards are also being made. The recommendations as accepted will be implemented subject to the resource constraints.”

1.14 In their 11th Report (6th Lok Sabha) presented to the House on 16-11-1977, the Public Accounts Committee had recommended a comprehensive study of the major marshalling yards in the country with a view to streamlining their working. Noting that studies had been completed for 10 yards only, the Public Accounts Committee, 1981-82 in their 103rd Report (7th Lok Sabha) had recommended that the study of the remaining yards should be completed as early as possible. The Committee regret to observe that although a period of nearly two years has elapsed since the above Report was presented to the House, the Ministry of Railways have since completed studies of only three more yards. Considering that there are nearly one hundred major marshalling yards in the country, the Committee feel that the pace of study has not been satisfactory. The Committee, therefore, desire the Ministry of Railways to accelerate their pace of study so as to complete the studies in respect of the remaining yards at a very early date.

The Committee also note that out of 450 recommendations made in respect of 13 marshalling yards, 267 recommendations have been implemented and 183 are under implementation. The Committee would like the Ministry to complete the process of implementation of recommendations in respect of these yards at the earliest.

Wagon shortage due to wagons being held up in sidings of major Railway users

(Paras Nos. 200 and 201—Sl. Nos. 24 and 25)

1.15 Commenting on the excessive detention caused to wagons in the steel plants, sidings of Food Corporation of India and Port Trusts, etc., the Committee had observed in paragraphs 200-201 of their earlier Report as under :

“Another factor which affects the wagon availability for trade and industry is the holding up of wagons by steel plants, Food Corporation of India, Port Trusts etc. The number of wagons handled in such sidings has been of the order of 25,000-26,000 in recent years, of which 16,000-17,000 are at the six major steel plants for their inward and outward traffic. Despite liberal

free time upto 48 hours for single operation of loading or unloading as against 5 hours allowed to trade detention to wagons in the yards of steel plants was much higher. The Ministry of Railways have stated that whenever excessive detentions of wagons was noticed inside steel plants, the matter was taken up at appropriate level and remedial action was taken in coordination with the steel plants/SAIL Ministry of Steel to keep it to minimum possible level. (Para 200)

In this connection, the Khandelwal Committee had recommended in 1973 a series of measures and works to be implemented mutually by the Railways and the steel plants for reducing the detentions to wagons inside their yards. According to the Railway Board, while 75 out of 97 recommendations concerning them have been implemented, out of 153 recommendations pertaining to steel plants only 77 have so far been implemented although the number of recommendations rejected were only 32. (Para 201)"

1.16 In their reply dated 5 and 10 March, 1983 the Ministry of Railways (Railway Board) stated :

"The observations of the Committee are noted."

1.17 While commenting upon the process of detention of wagons in the yards of steel plants, the Public Accounts Committee had drawn attention to the Khandelwal Committee's Report (1973) wherein they had suggested a series of measures and works which were to be implemented both by the Railways and the steel plants for reducing the time of detention to wagons. The Committee had noted that while the Railways had implemented 75 out of the 97 recommendations relating to them, the steel plants had implemented only 77 of the 153 recommendations relating to the steel plants (32 of these recommendations were rejected). In their action taken reply, the Ministry have stated that the 'observations of the Committee are noted'. The Committee feel that mere 'noting' is not enough in this case. They would like to be informed of the precise progress made in the implementation of the remaining recommendations of the Khandelwal Committee both by the Railways and the steel plants.

Demurrage charges outstanding against steel plants

(Para No. 203—Sl. No. 27)

1.18 Taking a serious view of the large outstandings of demurrage charges for detention to wagons in steel plants, the Committee had observed in the above paragraphs as under :

"The demurrage charge leviable since 15 February, 1981 for detention to wagons in steel plants is Rs. 120 for 4 wheeler wagons

per day or part thereof, whereas the rate for public/trade is Rs. 316.80 for first 24 hours. According to the Ministry of Railways, the rate of demurrage charges is fixed by correlating it to the average earning capacity of a BG 4 wheeler wagon per day and the average earning capacity of a BG 4 wheeler wagon per day during 1981-82 is estimated at Rs. 120.15. The Committee find it surprising that although the rate of demurrage for detention to wagons in the steel plants has been kept at a lower level than that for the general public, substantial demurrage charges were outstanding against the steel plants as on 31st March, 1981. Whereas on Eastern Railway these were Rs. 5.24 lakhs, the demurrage charges outstanding were as high as Rs. 968.46 lakhs in South Eastern Railway and these have not yet been realised. The Committee take a serious view of these large outstandings. They feel that in view of the continued detention of wagons in steel plants there is an urgent need not only to realise the outstandings, but also to consider the desirability of upward revision in the rate of demurrage charges in case there is no reduction in the detention time."

1.19 In their reply dated 5 March, 1983 the Ministry of Railways (Railway Board) have stated :

"The observations of the Committee are noted. The various aspects of the matter have been examined. It is submitted that the Steel Plants have all along been shown some consideration in the matter of free time and the rate of demurrage for detention to wagon inside their premises. The rate of demurrage, does however, undergo an upward revision from time to time. The rate of demurrage which was Rs. 16 per day for a 4 wheeler B.G. wagon upto 30th April, 1973 and was enhanced to Rs. 50 in May, 1973, against to Rs. 75 in September, 1979, and to Rs. 120 with effect from 15-2-1981. Thus within a period of about 8 years i.e. from 1973 to 1981 there has been a 750 per cent increase in the rate of demurrage charge for wagons for Steel Plants from Rs. 16 to Rs. 120 per day.

Similarly, the free time allowed for dealing with different kinds of wagons inside their premises has been reviewed from time to time. In 1977, an Expert Committee consisting of representatives of Ministry of Railways, Steel and Mines and Steel Authority of India was appointed to go into the question of fixing realistic free time for Railway wagons dealt with in Steel Plants which remained in force upto 30th September, 1981.

The Railway Tariff Enquiry Committee in their final report have since made a recommendation that time studies should be carried out again jointly by the representatives of the Railways and its major users with a view to determining realistic free time required for loading/unloading of full train loads, particularly at important stations where considerable quantum of traffic originates/terminates. They have further stated that unrealistic free time for loading/unloading does not bring about any significant improvement in wagon utilisation. Keeping in mind the RTEC's recommendations and the suggestions of the PAC in their 103rd Report, another expert committee consisting of representatives from the Railways, Steel Plants and Planning Commission has been appointed to go into the question of free time to be allowed to Steel Plants and the need for optimal utilisation of Rolling Stock. The recommendations of the Expert Committee are awaited.

The Steel Plants are the largest single customers of the Indian Railways in terms of inward traffic of raw material and outward traffic of finished products transported to and from these plants. To give a rough idea of the magnitude, in 1980-81 20.7 million tonnes of raw material were carried into the Steel Plants and 7.3 million tonnes of finished products were transported out of the plants. This constitutes roughly 14 per cent of the total traffic carried by the Indian Railways in a year and is almost equal to the traffic moved from one of the smaller zones of the Indian Railways. The little consideration in respect of both demurrage charges and free time has, therefore, been shown to the Steel Plants considering the magnitude of business. In view of this, it is submitted for reconsideration of the Committee that the rates of demurrage charges, which have undergone an increase of 750 per cent over the last 8 years and the amount of free time allowed which is already under examination by a high powered inter-Ministry Group may be allowed to continue for the present. These rates will be considered for revision at the time of next revision of demurrage rates for the general Rail users.

As regards the settlement of outstanding dues from the Steel Plants, the statement given below shows the clearance of demurrage charges outstanding against steel plants :

(Figures in thousands of Rs.)

	Amount outstanding upto 31-3-1982	Amount cleared upto 6/1982 out of Col (a)
	(a)	(b)
Bhilai	17,667	9,150
Rourkela	18,873	14,500
Bokaro	2,127	2,071
IISCO	10,063	7,487
Durga Pur	2,237	1,343
TISCO	54,131	24,252"

1.20 The Committee note that the demurrage charges outstanding against the steel plants (Bhilai, Rourkela, Bokaro, IISCO, Durgapur and TISCO) upto the end of March 1982 amounted to Rs. 10.51 crores. Although there had been substantial improvement, the amount of outstandings, viz., Rs. 4.63 crores as at the end of June 1982 was still very large. The Committee are concerned to find that a major part of outstandings—Rs. 2.99 crores was outstanding against only one steel plant viz., TISCO. The Committee desire that the Ministry of Railways (Railway Board) should take the matter at highest level with this steel plant with a view to effect early clearance of its outstandings. The Committee desire that effective measures for early recovery of outstandings from other steel plant should also be taken. They would like to be apprised of the precise steps taken in this regard, together with their outcome.

The Committee also find that keeping in view the RTEC's recommendations and the suggestions of PAC in their 103rd Report, an Expert Committee consisting of representatives from the Railways, Steel Plants and Planning Commission has been appointed to go into the question of free time to be allowed to Steel Plants and the need for optimal utilisation of rolling stock. The Committee would like to be apprised of the findings of this Expert Committee and the action taken by the Ministry of Railways (Railway Board) in pursuance thereof.

Shortage of wagons for movement of fertilisers
(Paras Nos. 218 and 219—Sl. Nos. 42 and 43)

1.21 Commenting on the shortage of wagons experienced by ports as well as domestic fertiliser factories for movement of fertiliser, the Committee had observed in paragraphs 218 and 219 as under :

“In regard to the movement of fertilisers also, the Committee find that Ports as well as domestic fertiliser factories are experiencing shortage of wagons. That the shortage was uniform is borne

out by the fact that during each month in the last three years i.e. from April 1978 to March 1981 the average number of wagons supplied to the ports and domestic fertilizer factories was far less than that indented by them. The quantum on this shortfall is evident from the fact that during 1980-81 the number of wagon indented by domestic fertiliser factories and ports was 13771 and 33619 and that actually supplied to them was 5554 and 4665 respectively. The quantity unloaded at ports and domestic production, according to Ministry of Agriculture, increased from 11.68 million tonnes in 1978-79 to 11.99 million tonnes in 1979-80 and to 12.91 million tonnes in 1980-81. The Railways could not meet the demand for more wagons to cope with the increase in total quantum of fertilizers to be transported during these years, as is borne out by the fact that whereas the quantity of fertilisers moved by rail declined from 8.6 million tonnes in 1978-79 to 8.2 million tonnes in 1979-80 and further to 8.1 million tonnes in 1980-81, that transported by road increased from 3.1 million tonnes in 1978-79 to 3.8 million tonnes in 1979-80 and further to 4.8 (approx.) million tonnes in 1980-81. (Para 218)

The Committee are informed that for the year 1978-79, the Department of Agriculture and Cooperation had revised their target of rail capacity requirement for fertilisers from 9.2 million tonnes to 11 million tonnes. The Ministry of Railways however, agreed to provide a capacity of 9.2 million tonnes only also keeping in view the shortage of wagons, the Department of Agriculture in consultation with the Ministry of Finance agreed that the imported fertilisers should be moved by road upto 500 km. and indigenous fertilisers upto 1000 km. by subsidising the additional cost of road haulage. The distance upto which imported fertilizers were to be moved by road was also subsequently stepped upto 1000 km. in May 1979. The actual rail movement of fertilisers during 1978-79 and 1979-80 was 8.6 million tonnes and 8.2 million tonnes, the average lead having increased from 929 km. in 1976-77 to 1038 km. in 1978-79 and 1122 km. in 1979-80. According to the Ministry of Agriculture, the programme for movement of fertilizers was drawn up in coordination meetings with the Railways Board, but in view of the inability of the Railways to provide the required number of wagons at ports close to the consumption centres, they were compelled to move fertiliser from distant port locations in the South which inevitably added to the lead of the

fertiliser movements. The Committee are of the opinion that movement of fertilisers during these years by rail/road to various points of consumption centres was not properly coordinated between the two ministries resulting in increase in lead of rail traffic and diversion of considerable quantum of road. The Committee are unhappy at this lack of coordination and would like remedial measures in this regard to be taken early (Para 219)."

1.22 In their reply dated 5 March, 1983, the Ministry of Railways (Railway Board) have stated as follows in respect of the Committee's recommendation contained in para 218 :

"The movement of fertiliser from ports as well as from the fertilizer plants is done as per the pattern decided jointly by the Ministry of Railways, Department of Agriculture and the fertilizer handling agencies. Every effort is made to supply wagons as per the quotas fixed. There are however day to day variations either because of problems of movement or problems in connection with timely loading or unloading of inward wagons or problems with the loading labour or production capacity problem of drop in consumption levels, etc. The cumulative total of outstanding demands placed on the Railways does not reflect the actual requirement of the industry. Fertilizer is susceptible to block rake movement. The plants place demand in block rakes but clearance has to be done as per the quota, i.e. if the target is 25 wagons a day then a block rake is supplied every 3rd day. For actual loading of 75 wagons, the cumulative outstanding demand would be $75 \times 3 = 225$ wagons. Similarly, at major plants, the demand of 100 wagons for a terminal may remain outstanding for 3 or 4 days and will cumulatively become 400 whereas the material available will be for only 100 wagons. Thus, the cumulative outstanding demand does not reflect the actual requirement of fertilizer traffic and should not be taken as the correct picture of the situation.

The Railways have organised their movement in jumbo rakes and with this the transport capacity available has improved considerably. On the other hand the requirements for wagons for movement of fertilizers has gone down. The overall fertilizer traffic during the month from January, 1982 onwards has been much below the quota fixed. As a result of this against a monthly target of 0.8 million tonnes, the actual loading has been only 0.7 million tonnes. During the first six months of the current

year, the movement has been less as compared to the target to the extent of 0.6 million tonnes because of less offering. The Railways are now asking for more traffic and it is not being offered.

Rationalisation of this traffic is a continuous affair and regular coordination meetings are held at different levels between the Department of Agriculture, Ministry of Railways and the fertilizer handling agencies. The Railways are confident that the projected demand of fertilizers in the year 1982-83 will be fully met, provided the traffic is offered regularly every month.

The Ministry of Agriculture have no comments to offer on this recommendation."

In connection with paragraph 219, the Ministry of Railways have informed as follows :

"Ministry of Railways are fully conscious of the need to maintain close coordination with Ministry of Agriculture for loading of fertilizers. Meetings are arranged by that Ministry as well as by the Railways to sort out problems and ensure speedy clearance of this traffic. Loading of fertilizers is closely watched by this Ministry as well as by the Zonal Railways and there is already considerable improvement in loading. During 1981-82, 9.56 million tonnes of fertilizers were loaded as against 8.11 million tonnes loaded in 1980-81 and 8.23 million tonnes in 1979-80."

The Ministry of Agriculture have, however, stated as follows :

"Department of Agriculture is a user Ministry and dependent on the Ministry of Railways for movement of fertilizers exports/plants. while this Department can reiterate the necessity of the rail transport capacity at various forums and draw up movement plans in consultation with Ministry of Railways and others, it is the Ministry of Railways who have to ensure efficient implementation of the movement plans on a daily basis from every port and major fertilizers plants. The overall performance of the Railways in carrying the revenue earning traffic including that of fertilizer has not been satisfactory during the years 1978-79 to 1980-81 as would be observed from the following figures :

Year	Total revenue earning traffic	(Million tonnes)
		Fertilizer traffic
1978-79	199.6	8.6
1979-80	193.1	8.2
1980-81	195.9	8.1

It was the Railways' overall inability to lift all the freight traffic offered by the economy that is reflected in less loading of fertilizer. There was no lack of coordination between the Ministry of Railways and the Ministry of Agriculture. In fact, in order to improve the level of coordination between these two Ministries, the Ministry of Agriculture has taken on deputation a Senior railway transportation officer from the Ministry of Railways and he has been maintaining perfect coordination between the two Ministries. The fertilizer movement programme is drawn up on a quarterly basis in a meeting attended by representatives of indigenous fertilizer manufacturers, Ministries of Agriculture, Chemicals and Fertilizers, Railways and the Fertilizer Association of India. The Railways point of view with regard to feasibility of movement from a particular fertilizer plant to a particular State is always taken into account. Their views with regard to the Railways' overall rationalisation programme for movement of freight traffic are also taken into account. After finalisation of the programme almost on a day-to-day basis coordination is maintained between the Railways at the level of the Ministry of Railways and the Ministry of Agriculture with regard to any shortfall in day-to-day movement of fertilizer. On a monthly basis a meeting is held at Zonal Railway headquarters where representatives of fertilizer manufacturers served by the Railways concerned, those of Ministries of Agriculture, Chemicals and Fertilizers as well as the Railways are represented. In this meeting the performance of the previous month is reviewed and in consultation with the Railways the movement programme for the following month is finalised.

There is also a 6 monthly conference on fertilizer requirement as well as movement from various sources of availability between different States. In this meeting also representatives of the Ministry of Railways participate.

With coordination between Ministries of Agriculture, Chemicals and Fertilizers and the Railways as indicated above it was possible to achieve the all time high figure of movement of fertilizer by rail during the year 1981-82. The figures

of movement by rail during the last 5 years are given below :—

Year	Traffic moved by rail (Million tonnes)
1977-78	8.2
1978-79	8.5
1979-80	8.2
1980-81	8.1
1981-82	9.5

The movement requirement was fully met during 1981-82. During the current year, namely 1982-83 also the movement requirement by rail is being fully met.

A programme for rationalising the movement of fertilizer by rail was being simultaneously pursued in order to bring down the lead of fertilizer movement in the country. Considerable progress in this direction was also achieved as reflected in the following figures :

Year	Average lead /n Kms
1978-79	1038
1979-80	1122
1980-81	1086
1981-82	1010
1982-83 (Upto August 1982)	901

The coordination between Ministry of Agriculture and the Ministry of Railways at different levels indicated above are being maintained and it is hoped that it should be possible to bring about further improvement particularly in the matter of rationalisation in the movement of fertilizer during the coming months."

1.23 The Committee are informed by the Ministry of Railways (Railway Board) that the requirement for wagons for movement of fertilizers has gone down. The overall fertilizer traffic during the month from January 1982 onwards has been much below the quota fixed. Against a monthly target of 0.8 million tonnes, the actual loading has been only 0.7 million tonnes in 1982. The Ministry of Railways (Railway Board) have further stated that the movement of fertilizers during the first six months of the year 1983 has been less as compared to the target to the

extent of 0.6 million tonnes because of less offering. It has been contended by Railways that they are asking for more traffic but it is not being offered. The Committee note that the Ministry of Agriculture have admitted that the movement requirement for fertilizers was fully met by the Railways during 1981-82 and it was expected that in the year 1982-83 the requirement would be met fully. The Committee also note that a programme for rationalisation of movement of fertilizers by rail was being simultaneously pursued in order to bring down the lead of the fertilizer movement. On an average the lead in fertilizer movement in 1978-79 was 1038 kms, which increased to 1122 kms in 1979-80, and then came down to 1986 kms. in 1980-81 to 1010 kms. 1981-82 and 901 in 1982-83 (upto August, 1982). The Committee trust that the Ministry of Railways, in coordination with the Ministries of Agriculture and Chemicals and Fertilizers, would not only maintain the availability of required number of wagons for movement of fertilizers but also try to substantially reduce the lead in fertilizer movement so that maximum possible quantities of fertilizers can be moved by the Railways.

CHAPTER II
RECOMMENDATIONS|OBSERVATIONS WHICH HAVE BEEN
ACCEPTED BY GOVERNMENT

Recommendation

The Indian Railways carry about 67 per cent of the originating tonnage and 82 per cent of tonne km. of the total Inter-regional movement of freight traffic in the country and thus constitute the main artery of the nation's inland transport. The unit of rail transport for freight traffic is wagon.

[Recommendation No. 1 (Para 177) of 103rd Report of PAC-(1981-82)]

Action taken

The observations of the Committee are noted.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC|VII|103 dated 5-3-1983.]

Recommendation

The Committee note that Railways had 4,90,817 wagons towards the end of the Fourth Plan which, according to the Ministry of Railways, were adequate to meet a traffic level of 235 million tonnes of traffic in the last year of the Fourth Plan (viz. 1973-74). By 1976-77, the total holding of BG and MG wagons had increased to 5,20,114 wagons. The Railways were able to load 239.1 million tonnes of traffic which meant a capacity utilisation of 96 per cent in terms of rolling stock.

[Recommendation No. 2—(Para 178) of the 103rd
Report of P.A.C. (1981-82)]

Action taken

The observations of the Committee have been noted.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82BC-PAC|VII|103 dated 5-3-1983.]

Recommendation

The Committee regret to note that in the subsequent years while the wagon holdings of the Railways were on the increase, the total traffic carried continued to show a declining trend. This is evident from the fact that in

1977-78 with a wagon holding of 5,27,863 wagons (7.749 more than in 1976-77), the traffic carried was only 237.3 million tonnes (1.8 million tonnes less than in 1976-77). The position continued to deteriorate in subsequent years and in 1978-79 and 1979-80 the total traffic carried by Railways was 223.4 million tonnes and 217.8 million tonnes only. Thus while by 1979-80, a capacity to carry 245-250 million tonnes of freight traffic had been created, the actual traffic carried was about 30 million tonnes less. This not only resulted in financial loss to the Railways but had serious adverse repercussions on vital sectors of economy like power stations, fertiliser plants, cement factories etc. which had to be closed down from time to time for want of coal or other raw materials. The representative of the Ministry of Railways has explained that the decline in the traffic carried by Railways was mainly due to the general decline in efficiency and discipline in these years. The Committee express their deep concern at this fall in the efficiency of Railways during all these years.

[Recommendation No. 3—(Para 179) of the 103rd Report of P.A.C. (1981-82)]

Action taken

The observations of the Committee are noted. The reasons for short-fall in the traffic carried by the Railways have already been explained in reply to the points of Advance Information desired by the PAC; particularly Point Nos. 17, 30, 36, 44, 59 and 60 as well as in the oral evidence before the Committee.

This has been seen by Audit.

[Min. of Railways O.M. No. 82-BC-PAC|VII|103 dated 10-3-83]

Recommendation

The Committee would like the Ministry of Railways to examine the matter in depth particularly the defects in the system which contributed to this decline in efficiency in the previous years and take adequate measures to effect improvement in their working on a long term basis so that the factors which contributed to the deterioration in their performance are not allowed to recur.

[Recommendation No. 4 (Para 180) of the 103rd Report of P.A.C.(1981-82)]

Action taken

The Committee would be glad that the declining trend has been reversed and substantial improvement has been achieved in the rail movement of goods traffic. Total originating traffic (revenue earning non-revenue earning) lifted by the Railways during 1981-82 was 245.8 million

tonnes against 218.69 million tonnes lifted during 1980-81 and 217.84 in 1979-80. The achievement during 1981-82, is an all time record. It was made possible as much by restoration of discipline amongst the railway workers as by introduction of certain managerial innovations in the freight operation since the last quarter of 1980, which have already been intimated to the P.A.C.

Some of these are indicated below :

- (a) Segregation of CBC/TC fitted wagons.
- (b) Segregation of BCX/CRT wagons to for jumbo rakes of covered wagons.
- (c) Ensuring end to end running block train loads, avoiding detention to through trains and avoiding as many marshalling yards as possible.
- (d) Increasing block rake loading.
- (e) Withdrawing overaged and other crippled wagons from service fleet limiting its operational zone.
- (f) Provision of new wagons of higher capacity fitted with roller bearings capable of longer runs without examination.
- (g) Replacing steam operation by Diesel and Electric traction to maximum extent possible.

This has been seen by Audit.

[Ministry of Railways, O.M. No. 82-BC-PAC/VII/103 dated 10-3-1983]

Recommendation

The Committee are distressed to note that there has been perceptible increase in the number of outstanding indents for wagons. While in 1976-77 the average monthly number of outstanding indents was 10,143 for BG and 4,807 for MG, this increased to 23,480 and 14,065 in 1977-78, 1,03,839 and 57,970 in 1978-79 and was as high as 2,44,568 for BG and 82,885 for MG in 1979-80. The Committee cannot accept the contention of the Ministry of Railways that the number of outstanding registrations did not correctly indicate the unfulfilled demand in view of the practice of bogus registration. The Committee feel that it is the failure of the Railways to meet the demand for wagons which is responsible for this increase in outstanding and tendency for bogus registration. The Committee are perturbed to note that in spite of the claim of the Ministry of Railway that there has been perceptible improvement in the haulage of traffic, the number of outstanding indents stood at 68,207 on BG and 27,613 on MG on 30 November, 1981. The Committee feel that with

more sustained efforts on the part of the Railways and improvement in efficiency it is possible to eliminate the outstanding demand for wagons. The Committee would like to be apprised of the latest position regarding the outstanding indents for wagons and the steps taken by the Ministry of Railways in this regard.

[Recommendation No. 5—(Para 181) of the
103rd Report of P.A.C. (1981-82)]

Action taken

The number of outstanding registrations has been continuously falling since November, 1981 as shown below :

As on	No. of outstanding registrations	
	B.G.	M.G.
30-11-81	68207	27613
30-12-81	83952	34259
31-1-82	55401	31259
28-2-82	52339	29612
31-3-82	58038	33943
30-4-82	57565	20760
31-5-82	33035	12947
30-6-82	23113	11443
31-7-82	11976	7857
31-8-82	5155	4566
30-9-82	7540	4202
31-10-82	10721	4896
30-11-82	13323	6988
31-12-82	17762	5889

The overall improvement in the freight operations is mainly responsible for reduction in the number of outstanding registrations.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC|VII|103 dated 10-3-1983]

Recommendation

The Committee are perturbed to note that the sick and overaged wagons with the Indian Railways are on the increase. While the number of sick wagons in 1977-78 was 18,717 (14,660 on BG and 4,057 on MG), the same increased to 20,619 in 1978-79 and to 21,785 in 1979-80. As on 1 April, 1981 the number of overaged and sick wagons was 37,814 and

24,378 respectively. The Committee need emphasise the need for immediate repair|replacement of these sick and overaged wagons as even one sick or overaged wagon may impede the movement of the entire train and have adverse impact on the quick and fast movement of goods traffic.

[Recommendation No. 6—(Para 182) of the 103rd Report of P.A.C. 1981-82]

Action taken

Action has already been taken to improve the output of existing workshops and to create additional capacity for periodical overhaul or other repair|maintenance of wagons in various zonal railways. Better availability of Power supply and supply of components from trade has made it possible to take up more wagons for repair. Against 64,500 wagon units given periodical overhaul (P.O.H.) in 1979-80, 71,500 were given P.O.H. in 1980-81 and 89,500 in 1981-82.

Similarly, the number of overaged wagons in Service has been reduced by stepping up the rate of condemnation of such unserviceable wagons whose repairs would become uneconomical. Against 4774 wagon units condemned in 1979-80, 11,800 wagons were condemned in 1980-81 and 19442 in 1981-82.

Whereas these wagons have been condemned, it has not been possible to procure new wagons in their lieu, for want of resources. It is expected that not more than 78,000 wagons would be procured in Sixth Plan (1980-81 to 1984-85). Of these 64,000 will be used against replacement of condemned wagons. This will, of course, mean that not more than 14,000 wagons will be added to the wagon fleet during the 5 years of the Sixth Plan.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-PAC|VII|103 dated 5-3-1983.]

Recommendation

The Committee regret to note that even the fleet of wagons on line could not be put to maximum utilisation due to various operational and non-operational factors within the control of the Ministry of Railways (Railway Board) as is clear from the succeeding paragraphs. (Para 186)

The Committee are constrained to point out that turn-round time of wagons on Indian Railways increased from 130 days in 1976-77 to 14.3 days in 1978-79 and further to 15.1 days in 1979-80 on BG. Similarly on MG the turn-round time increased from 11.1 days in 1976-77 to 12.8

days in 1978-79 and further to 14.1 days in 1979-80. In 1976-77 and 1977-78 when the wagon turn-round was brought to 13.0 and 13.3 the efficiency indices were the best. Wagon (BG) km. wagon days was 81.1 and 81.9 in 1976-77 and 1977-78 as compared to 73.3 in 1979-80. Net tonne km. per wagon days was 1019 and 1045 in 1976-77 and 1977-78 as compared to 972 in 1979-80. The loss in monetary terms to the Railways on account of increase in the turn-round time during all years can be estimated from the fact that if the turn-round was less by one day in 1980-81 the wagon loading could have increased by 1956 wagons per day on the BG and by about 335 on the M.G. (Para 187).

An analysis of the turn-round time of wagons during 1978-79 and 1979-80 has revealed that the main reasons for the high turn-round time were the detentions at terminals, marshalling yards and enroute. A reduction in the time spent by a wagon in its round trip under any of these factors namely, at the terminals, in marshalling yards or even by reduction in the number of marshalling (i.e. by block rake movement), quicker marshalling through mechanisation of hump and reducing hold ups of wagons enroute could improve its availability. (Para 188)

The Committee are surprised to find that even though the number of wagons dealt with in the marshalling yards had come down by 22.2 per cent from 1976-77 to 1980-81. The detention to wagons had gone up by 25.1 per cent during the same period. A sample study of one month's (December) statistics during the busy period of some of the major marshalling yards during 1969-70 and 1979-80 disclosed that, though the number of wagons dealt with in the yards had declined, the detentions to wagons had increased. The increase in detention to wagons in the yards, despite the additional facilities provided was stated to be due to factors such as wagons becoming unfit/damaged owing to deficient coupling, lack of power, late materialisation of stock, etc. (Para 189).

The Committee further find that even though the number of wagons dealt with in the terminal yards had come down by 15.9 per cent from 1977-78 to 1980-81 the detention time of wagons had gone up by 57.9 per cent during the same period. The Ministry of Railways (Railway Board) have informed the Committee that due to increased running of block rakes which by-pass yard, the number of wagons dealt with in the yards has decreased. The wagons are, therefore, detained for longer periods for formation into trains. Further, according to the Ministry of Railways the general increase in detention to wagons is not due to want of adequate facilities in yards and terminals. A general drop in efficiency and discipline within and outside the railways has also been responsible for increased detentions. (Para 191)

The Committee find that due to non-availability of wagons was considerable diversion of traffic from rail to road, which not only resulted in the Railways losing revenue but also in some cases in haulage over long distances by the costlier road transport. (Para 206)

[Sl. Nos. 10, 11, 12, 13, 15 and 30 (Paras 186, 187, 188, 189, 191 and 206) of 103rd Report of PAC (1981-82)-Seventh Lok Sabha]

Action taken

The observations of the Committee are noted. The Committee are however advised that a several measures were taken to reduce the Turn Round of wagons and increase the loading. These include segregation of CBC fitted wagons formation of Jumbo rakes or covered wagons fitted with roller bearing, increasing the scope of Block rake loading, avoiding as many marshalling yards as possible replacing steam traction by Diesel and Electric traction to the maximum extent possible. Besides as general discipline improved since the beginning of 1981 everything improved including wagon Turn Round.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC[VII]103 dated 10-3-83]

Recommendation

The quantum of block rake trains bye-passing the marshalling yards constitutes a sizeable percentage of traffic in coal, ore, POL, etc and as much as 24 to 32 per cent under other commodities. These rakes pass through the Central Yards of important marshalling yards. However, a record of the detentions to the wagons in these yards is not being maintained and as such it is not possible to ascertain the reasons for detentions of through goods trains. The Committee would suggest that the Railways should maintain records of detention of wagons to through trains and include them in the published Marshalling Yard Statistics so that such detentions could be watched and controlled by taking suitable measures.

[Recommendation No. 14 (Para 190) of the 103rd Report of PAC (1981-82)]

Action taken

Through wagons may arrive at a yard.

- (a) on terminating trains for marshalling and onward despatch ;
- (b) on by-passing trains after being detached for C&W examination, etc. ;
- (c) on by-passing trains going through.

Statistics regarding (a) and (b) are published. Statistics regarding (c) are not published.

As it is felt that by maintaining statistics for these wagons would be costly and also contribute to detention to those wagons, it is considered that statistics would be maintained and published indicating detention to through trains by-passing the yard along with the targets.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC/VII/103 dated 12-3-83]

Recommendation

The Committee are surprised to note that the problem of detention to wagons at yards and terminals had been dealt with by the Railway Board by revising upward the target of detention time (September and October 1978) without analysing in detail the reasons for the increase and without considering any remedial measures for bringing down the detention time to the previous levels. The Committee are dissatisfied with this *ad hoc* step taken by the Railway Board. They would like the Railways to keep a strict watch on the detentions to wagons in yards and terminals and take corrective steps to reduce such detentions in future.

[Recommendation No. 16—(Para 192) of the 103rd Report of P.A.C.,
1981-82]

Action taken

The observations of the Committee are noted, and necessary instructions have been issued to all Zonal Railways directing them to take action for analysing causes of increase in wagons detentions at yards and terminals and take remedial measures for bringing down the detentions. The Committee are advised that whenever there is a deteriorating trend in wagon detentions at yards and terminals note thereof is taken at the field level as well as in the Divisional and Headquarters offices of the Zonal Railways. The reasons for the trend are identified and corrective action is taken. In important cases work study and other investigations of the yard and terminals are done. The implementation of the accepted recommendations of the study is pursued with a view to bringing about rationalisation of working and improving detentions in future.

For any future revision of the existing targets, results of such work study or investigation, etc. of the yard constraints would be taken into account.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC/VII/103 dated 12-3-83]

Recommendation

The Committee further find that during 1980-81 the average number of wagons transhipped per day at the 18 major transshipment points, statistics for which are published from BG to MG was 892 and from MG to BG 783. Average detention per wagon was 41.5 Hrs. and 38.1 Hrs. respectively. Accordingly to the Ministry of Railways the detention to wagons for transshipment is due to various factors like behaviour of transshipment labour, pattern of loading particularly of imported goods etc. Availability of matching wagons is itself dependent on these factors. The Committee are informed that 97 transshipment points would be eliminated on completion of gauge conversion projects which have been making very slow progress. Despite heavy investments on conversion projects and completing about 326 km. during Fourth Plan (1969—74) and 480 km during the subsequent period up to 1979-80, the number of transshipment points has remained at 97. This seems largely due to undertaking conversion projects simultaneously on various MG sections without having any time bound programme for their completion. The Ministry of Railways (Railway Board) have stated in this connection that at present there are 15 conversion projects and for want of funds only 6 are expected to be completed during the Sixth Plan. The Committee find that out of these 15 conversion projects in respect of 8 projects, even target dates of completion have not been fixed. The Committee would like to express their dissatisfaction at the slow progress of these conversion projects. They fail to understand that when Railways were well aware of the difficulties regarding financial constraints why so many conversion projects are taken in hand resulting in scattering of scarce resources. The Committee recommend that Railways should try to complete the ongoing conversion projects as early as possible according to a time bound programme so that the transshipment points may be eliminated early. In future only selected conversion projects should be taken in hand and efforts made to complete these projects before undertaking new projects. In the meantime, handling facilities such as cranes, matching MG wagons etc. should be made available at important transshipment points and other suitable steps taken to avoid detention to wagons at transshipment point so that delay in movement of wagons and damages to consignments and their pilferage etc. could be obviated.

[Recommendation No. 17—(Para 193) of the 103rd Report of P.A.C.,
(1981-82)]

Action taken

During the last few years, the prices of materials have escalated very steeply. In fact, for permanent way materials along the price increase, as

compared to that of 1979-80, is as much as 94 per cent to 140 per cent. This has necessitated cost revisions and also in slowing progress of various works.

It is on this consideration that a decision has already been taken by the Railway Board in consultation with the Planning Commission to identify seven gauge conversion projects as top priority projects. These are (i) Barabanki-Samstipur (ii) New Bongaigaon-Gauhati (iii) Guntakal-Bangalore (iv) Viramgam-Okha|Porbandar (v) Suratgarh-Bhatinda (vi) Suratgarh-Sarupasar-Anapgrh (vii) Suratgarh-Bikaner. Efforts are now being made to complete and open these projects as early as possible, before taking up the other projects which have been given lower priority. The total length of the top priority projects is about 1977 km. Out of a total of about Rs. 49.25 Crores outlay for conversion projects, during 1982-83, Rs. 44.35 Crores has been allotted to these top-priority projects. The remaining Rs. 4.9 Crores have been distributed amongst the different low-priority projects to discharge the various inescapable contractual liabilities, already entered into. Regarding wagon availability at transshipment points instruction already exist that these consist the first charge on supply of wagons. Further with the improvement in wagon turnround and overall increase in the availability of wagons their supply to transshipment points would improve. Equipment such as cranes would be provided through machinery and plants programme wherever necessary.

Action has already been taken by the Railways in accordance with the recommendations of the PAC.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC|VII|103 dated 10-3-83]

Recommendation

The Committee note that traffic facilities broadly comprise facilities at terminals in marshalling yards and on enroute sections to facilitate movement of traffic as far as possible at the booked speed and to remove congestions in busy yards, etc. The Fourth and the Fifth Plans' total allocation of funds for traffic facilities and line capacity works was Rs. 315 Crores and Rs. 500 Crores, respectively (out of a total plan outlay of Rs. 1525 and 2350 Crores, respectively). While the budget allotments year to year totalled Rs. 238.5 Crores in the Fourth Plan and Rs. 326.3 Crores in the Fifth Plan, the expenditure was only Rs. 210.7 Crores and Rs. 299.3 Crores, respectively. This was despite the fact that Railways have been continuously complaining of inadequate allocation of funds. The Committee further note that out of the budget allotments, nearly

60 per cent of the allocations for 'Traffic Facilities' viz., Rs. 145 Crores in the Fourth Plan and Rs. 182 Crores in the Fifth Plan had been spent on gauge conversion and doubling works in patches.

The Committee would like to express their deep concern on this decline of investments in traffic facilities as this is bound to have an adverse impact on the quick movement of traffic and will lead to congestion.

[Sl. No. 18—(Para 194) of 103rd Report of the PAC (1981-82)
of 7th Lok Sabha]

Action taken

In addition to the factors already advised, during the Fourth and Fifth Plan periods, there had been considerable difficulty with regard to availability of critical building and permanent way materials, as well as diesel oil for transport of construction materials. Though all efforts were made by the Railways to execute expeditiously works under 'Traffic Facilities' consistent with the availability of funds, their efforts were affected by these severe physical constraints.

During the same period, the prices of various critical construction materials also increased rather steeply, as a result of which the progress of works got adversely affected not only due to reluctance on the part of the contractors/suppliers to execute the works against old contracts at old contracted rates but also due to artificial scarcity of these materials due to escalation of prices and non-availability of adequate diesel oil to transport the same. It was, therefore, on account of these uncertain circumstances that the full allotment of funds could not be spent during the Fourth and Fifth Plan periods.

The position, however, has completely changed now. During the Sixth Plan period, the total outlay for the Plan-head "Line capacity works" is about Rs. 480 Crores. The expenditure already incurred up to the end of March, 1982 is about Rs. 182.42 Crores. The outlay during 1982-83 is Rs. 90.25 Crores, while the Railways are geared up to spend much more than this amount. The requirement of funds for 1983-84 is of the order of Rs. 250 Crores, although the balance available under this Plan-head is only about Rs. 107.33 Crores. It will thus be observed that the shortfall in investment on Traffic Facility Works pointed out by PAC, has already been arrested and the trend reversed.

It is further submitted that the allocation of funds under various plan-heads including those under the 'Traffic Facilities' are made by the Planning Commission. The Committee's recommendation will be borne in

mind while approaching the Planning Commission for making allocation under various plan-heads, depending upon the overall requirements of the railways in various sectors, in future.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC/VII/103 dated 5-3-1983]

Recommendation

The Committee further observe that a review of some of the yard remodelling projects and line capacity works on the Eastern Northern, Southern, South Central, South Eastern, Eastern and Western Railways undertaken to ease congestion and reduce detentions to wagons and goods trains had revealed that these were either not been planned/executed in a manner that could relieve congestion or were taken up after considerable delay and the pace of their execution had been slow. The Public Accounts Committee, in their 11th Report (Sixth Lok Sabha), had recommended a comprehensive study of the major yards with a view to streamlining their working. The Committee find that although, in pursuance of this, Railways have undertaken a comprehensive study of various major marshalling yards, the studies have been completed for 10 yards only. Even in the case of these 10 yards, majority of recommendations though accepted by the Railways are still to be implemented. The Committee would like the Railway Board to ensure that Zonal Railways take necessary action for implementation of these recommendations and complete studies of the remaining major yards as early as possible.

[Sl. No. 19—(Para 195) of 103rd Report of the PAC (1981-82) of the
7th Lok Sabha]

Action taken

In pursuance of the recommendations of the Public Accounts Committee in their 11th Report (Sixth Lok Sabha) the Railways have already completed comprehensive study of 13 Marshalling Yards.

Out of the 450 recommendations accepted in respect of Reports on 13 Marshalling Yards, 267 have been implemented and 183 are under implementation.

Studies of other marshalling yards are also being made. The recommendations as accepted will be implemented subject to the resource constraints.

This has been seen by Audit.

[Ministry of Railways O.M. 82-BC-PAC/VII/103 dated 10-3-1983]

Recommendation

The Committee note that empty wagons are required to be cleaned, inspected and started into covered and open wagons and tanks in the marshalling yard prior to their despatch to the bulk loading points (viz. collieries, steel plants, cement and fertilizer plants, etc.). A review of coal loaded wagons despatched from collieries revealed that the Railways had not been adhering to the prescribed rules and procedures in this regard, with the result that empty wagons sent to the collieries from the marshalling yards had either been left behind unloaded (at least until the next pilot or hauled empty. The number of wagons so left behind ranged between 1043 and 1336 per day and the wagons hauled empty ranged between 60 and 136 per day during the years 1975-76 to 1979-80. The Committee regret that the number of wagons left behind and hauled empty over the years has been on the increase. The increase was despite the assertion made by the Railways that cases of wrong marshalling are taken up as and when they come to notice on occasional checks which the yard master and operating officers are supposed to make. The Committee would urge upon the Railways to strengthen the supervisory checks in regard to the observance of the extant instructions and if necessary to revise them suitably so as to avoid the instances of wagons left behind or hauled empty. If any wagon is left behind or hauled empty due to Colliery's own failure, a provision for suitable penalty should be made in the relevant rules and the same should be strictly enforced.

[Sl. No. 20 (Para 196) of 103rd Report of the PAC 1981-82 of the
7th Lok Sabha]

Action taken

Instructions have been reiterated to all zonal Railways that the extant procedure regarding marshalling and sorting of wagons, etc., to ensure that proper type of wagons are placed for coal loading, keeping in view the loading programme of the colliery, to reduce, the incidence of wagons left behind or hauled empty, are to be strictly followed.

In cases of wagons left behind or returned empty due to collieries' failure, the relevant rules of the railways provide for suitable penalties. The system of wagon registration fees has been extended for coal traffic w.e.f. 5-5-1981. When a wagon is supplied against an indent but loading is not done the wagon registration fee is forfeited. The Railways' rules also provide for levy of Demurrage. Disputes regarding wagons

left behind, drawn empty and wagons detained whether on colliery's account or on railway account are settled mutually at the level of the Divisional Railway Officials and Colliery Officials.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC/VII/103 dated 10-3-1983]

Recommendation

It is surprising to note that although as per the rules as they existed prior to 1975 the consignee/consigner had to pay extra penal freight charges calculated at double the highest classification rates on the excess weight loaded and detected at the loading or unloading stations or enroute, the rules were amended in April, 1975 to provide for levy of penalty only if excess weight was discovered enroute or at the destination. The amended rule continued for six years and it was only in 1981 that new Rule 161-A applicable to coal with effect from 7-5-1981 and loose commodities w.e.f. 1-11-1981 was provided in the Goods Tariff according to which if wagons are discovered overloaded at the booking point, enroute or at destination, such over-weight beyond the permissible carrying capacity of the wagon should be charged at the normal wagons load rate if the over-weight is upto one tonne and at the 'smalls' rate if the overweight is more than one tonne, for the entire distance from the booking point to the destination.

[Sl. No. 22 (Para 198) of 103rd Report of PAC 1981-82 of the
7th Lok Sabha]

Action taken

The observations of the Committee are noted.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC/VII/103 dated 10-3-1983]

Recommendation

It is also pertinent to note that the Railway Board had issued instructions in December, 1980 and April, 1981 permitting loading of coal and certain other commodities upto 5 tonnes in excess of the carrying capacity of the BOX wagons. These instructions were withdrawn in March 1981|May 1981. In the first instance the relaxation was for short distances but later it was extended for longer distances also. The Ministry of Railways have stated in this connection that these instructions were issued in consultation with the Mechanical Directorate of the Railway Board and RSSO to meet the immediate requirement of steel plants for building coal stocks there.

Since such measures even if resorted for short periods adversely effect life of the axles and other components of wagons, these are bound to result in the shortening of the life span of wagons which cannot be permitted. The Committee expect that Railways would ensure that such overloading of wagons is not permitted in future.

[Sl. No. 23 (Para 199) of the 103rd Report of the PAC 1981-82 of the 7th Lok Sabha]

Action taken

The observations of the Committee have been noted.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC/VII/103 dated 5-3-1983]

Recommendation

Another factor which affects the wagon availability for trade and industry is the holding up of wagons by steel plants, Food Corporation of India, Port Trusts, etc. The number of wagons handled in such sidings has been of the order of 25,000-26,000 in recent years, of which 16,000-17,000 are at the six major steel plants for their inward and outward traffic. Despite liberal free time upto 48 hours for single operation of loading or unloading as against 5 hours allowed to trade, detention to wagons in the yards of steel plants was much higher. The Ministry of Railways have stated that whenever excessive detentions of wagons was noticed inside steel plants, the matter was taken up at appropriate level and remedial action was taken in coordination with the steel plants/SAIL Ministry of Steel to keep it to minimum possible level.

[Sl. No. 24 (Para 200) of 103rd Report of PAC 1981-82 of 7th Lok Sabha]

Action taken

The observations of the Committee are noted.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC/VII/103 dated 5-3-1983]

Recommendation

In this connection the Khandelwal Committee had recommended in 1973 a series of measures and works to be implemented mutually by the Railways and the steel plants for reducing the detentions to wagons inside

their yards. According to the Railway Board, while 75 out of 97 recommendations concerning them have been implemented, out of 153 recommendations pertaining to steel plants only 77 have so far been implemented although the number of recommendations rejected were only 32.

[Sl. No. 25 (Para 201) of 103rd Report of PAC 1981-82 of
7th Lok Sabha]

Action taken

The observations of the Committee are noted.

This has been seen by Audit, who have observed as follows :

“PAC may like to call for the remarks of the Ministry of Steel in respect of remaining recommendations covering steel plants.”

[Ministry of Railways O.M. No. 82-BC-PAC/VII/103 dated 10-3-1983]

Recommendation

The new BG wagons procured after 1973-74 are fitted with centre buffer couplers (CBC) while the older wagons on line have the conventional screw couplings and the two cannot be deadlly coupled. A transitional device, known as 'transitional coupling', to enable the two to be coupled is, therefore, being used. The consequential increased requirement of the device could not, however, be met due to its limited production in the country, the supplies during the period April, 1977 to June, 1980 having been only 96,712 as against the requirement of 2,08,123, resulting in a large number of wagons being put out of commission. The Committee note that this device, attached to the CBC fitted wagons and stated to be rather weak, has often been getting damaged in the marshalling yards while humping due to the inadequate observance of the prescribed drill. Further there has also been reportedly large scale 'pilferage' of this device in the marshalling yards, more particularly since 1977-78. The Committee regret the failure of the Railways to take adequate preventive measures to reduce the damage to couplings of wagons through correct observance of maintenance instructions and to guard against large scale pilferage of this item in their yards. The Committee would like the Ministry of Railways to take remedial measures in this regard expeditiously.

[Sl. No. 28 (Para 204) of 103rd Report of PAC 1981-82 of
7th Lok Sabha]

Action taken

Detailed instructions for the maintenance and repair of Centre Buffer Couplers already exist. The Zonal Railways have been advised to ensure that fitment of transition coupling in shops be done properly, that they are secured effectively so as to make their pilferage difficult and that anti-pilferage measures, including proper rivetting of clevis pin as prescribed is ensured.

With the introduction of movement of Centre Buffer Coupler wagons only in Block Rakes, the need for transition gear has reduced considerably.

The Ministry of Railways are seized of the problem and are making all out efforts to stop the pilferage of the wagon components and other railway fittings. The Chief Security Officers of the Zonal Railways have pin-pointed the vulnerable yards/areas and have strengthened security measures and are making all out efforts to stop such pilferages. The preventive measures include patrolling vulnerable yards and areas round the clock, deploying plain clothed CIB staff to collect Crime Intelligence and keep watch on the activities of the criminals. RPF staff are conducting raids for apprehension of criminals and recovery of stolen railway materials. Notorious criminals/receivers of stolen railway property are detained under the National Security Act.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC/VII/103 dated 5-3-1983]

Recommendation

The Committee are constrained to point out that the quantity of cement moved by rail declined from 127.73 lakh tonnes in 1976 to 99.45 lakh tonnes in 1979 and further to 68.46 lakh tonnes in 1981 (January-September) whereas that moved by road increased gradually from 45.49 lakh tonnes in 1976 to 76.39 lakh tonnes in 1979 and during the first nine months of 1981, 74.71 lakh tonnes had been moved by road. According to the office of the Cement Controller, the main reasons for the decline in the quantity of cement moved by rail over the years were shortage of wagons supplied to cement factories. The Ministry of Railways (Railway Board) have stated in this connection that there was a general decline in all spheres of economic activity in the country and there was, therefore, a shortfall in loading of almost all commodities, including cement. Further, according to them they have offered to the Ministry of Industrial

Development that they can lift all the cement in block rakes by rail, but this has not found favour with the cement factories.

[Sl. No. 31 (Para 207) of 103rd Report of PAC (1981-82)—
7th Lok Sabha]

Action taken

It is a fact that the Railways' pattern of movement for bulk commodities including cement is predominantly in rake loads on account of the special type of wagons which cannot move piece-meal. The ordinary covered wagons are utilised for piecemeal movement whose number is not adequate to meet all the piecemeal demands of different commodities which includes cement as well as general traffic. The Railways, therefore, have been insisting that more and more cement should move in rake-loads. While it is encouraging that a number of cement factories have reoriented themselves to move cement in rake-loads as much as possible, there are still a number of factories where due to the inadequacy or unsuitability of the infrastructural facilities and their limited production capacity they are not in a position to move cement in rakes. A general view of production shows that even at the major factories which normally load cement in rakes, on account of the external constraints and the non-availability of essential inputs like power, sometimes their production is so limited that they are unable to utilise the rakes for cement movement. The problem of piecemeal movement has been constantly engaging the attention of the Railways and the Ministry of Industry (Cement Controller) and consistent joint efforts are made to find ways and means to maximise the movement by rail consistent with the overall availability of block rakes/piecemeal wagons.

So far as the new cement factories are concerned care is taken to advise them to have facilities for handling block rakes. Efforts are made to persuade the existing cement factories who cannot offer block rake loading due to inadequate storage, siding or other loading facilities to develop the same.

In order to encourage movement of more traffic in train loads a freight differential in favour of rail load movement has already been introduced w.e.f. 15-2-1982.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC/VII/103 dated 12-3-1983]

Recommendation

The Committee find that the indigenous cement production declined from 190.77 lakh tonnes in 1978 to 182.38 lakh tonnes in 1979 and

further to 177.98 lakh tonnes in 1980. It is really a matter of concern that inspite of this decline in the production of cement, Railways could not meet the demand of cement factories and the outstanding indents of wagons increased from 7311 in 1977 to 183,918 in 1978 and further to 206,070 in 1979. Further, according to the Ministry of Industrial Development (Cement Controller) many cement factories, particularly those on South Central Railway and South Eastern Railway had been complaining about continuous short supply of wagons and movement restrictions imposed by the Railways. The cement factories situated on other Zonal Railways were also not in a very happy position.

[Sl. No. 32 (Para 208) of 103rd Report of PAC (1981-82)-
7th Lok Sabha]

Action taken

It has already been pointed out that due to the general decline in all spheres of economic activity in the country, there was shortfall in loading of all commodities by Railways including cement. The position, however, has substantially improved.

Due to the joint efforts of Ministry of Industry (Cement Controller) and the Railways, there has been satisfactory improvement in supply and utilisation of wagons at the cement factories on the Railways. In the South Eastern and South Central Railways also, the position has significantly improved. With the overall level of operational improvement the incidence of movement restrictions has substantially come down. The loading of cement (in wagon) during the years 1979-80 to 1982-83 is as follows :—

Year	1979-80			1980-81		
	BG	MG	Total	BG	MG	Total
	8954	5995	14949	8577	5966	14483
	1981-82			1982-83 (Till Dec. 82)		
	BG	MG	Total	BG	MG	Total
	9684	6406	16090	8781	4766	= 13547

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC/VII/103 dated 12-3-83]

Recommendation

The Committee are given to understand that many Government projects have been delayed due to non-availability of cement for want of wagons. The most adversely affected States in this respect are Assam, West Bengal (Beyond Farakka), Sikkim, Tripura, Manipur, Nagaland and Arunachal Pradesh in Eastern Region, JK, Punjab, Haryana, Himachal Pradesh, Delhi and UP in Northern Region and Kerala in Southern Region. Due to short supply of wagons, cement factories are moving cement not only to short distances which can conveniently be served by road but are compelled to move cement over longer distances. At present, very large quantity is moving by road for distances beyond 250 kms.

[Sl. No. 33 of (Para 209) of 103rd Report of PAC (1981-82)-Seventh Lok Sabha]

Action taken

As already mentioned in reply to para 208, there is perceptible improvement in the availability of wagons even for North Eastern States. The level of supplies of cement has also substantially gone up. On account of disturbed conditions arising of and on in the North Eastern Region, it sometimes becomes difficult for the Railways to maintain the normal traffic and during that period the supplies do get disrupted. However, these factors are beyond the control of the Ministry of Industry (Cement Controller and the Ministry of Railways).

It is observed that with the improvement in the railway movement, the element of road movement particularly over long distances is coming down.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC.VII.103 dated 12-3-83]

Recommendation

The Committee are constrained to find that the average number of wagons (4-wheelers) loaded per day for transportation of coal during the last six years *i.e.*, from 1975-76 to 1980-81 was for less than the offers for loading of wagons made by Coal India Ltd. and Singareni Collieries Company Ltd. for movement of coal. The shortfall in the supply of wagons for haulage of coal has been recurrent and has assumed serious proportions during these years as is apparent from the fact that the percentage of average loading of wagons per day to the offers made by Coal India Ltd. and Singareni Collieries Company Ltd. gradually decreased from 82.2 per cent in 1975-76 to 78.4 per cent in 1977-78 and further to 71.3 per cent in 1980-81. In this connection, the Chairman, (Railway Board) stated during evidence that "from the figures I have, the offers made by Coal Companies to the Railways for

loading were much above the level of wagons actually supplied and therefore it does appear that in those years perhaps the Railways may not have been able to meet the demand fully."

ISI. No. 36 (Para 212) of 103rd Report of PAC (1981-82)-Seventh
Lok Sabha]

Action taken

It is explained that only a couple of cement plants situated in areas where flow of covered empties is in reverse direction, have suffered. Traffic from all other cement plants has been lifted fully.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC|VII|103 dated 5-3-1983]

Recommendation

The Committee find that the quantity of coal transported by rail declined from 77.53 million tonnes in 1977-78 to 71.47 million tonnes in 1978-79 and further to 68.76 million tonnes in 1979-80. It is only in 1980-81 that the quantity moved by rail has picked up to 70.10 million tonnes. On the other hand the quantity of coal transported by road has increased gradually from 13.90 million tonnes in 1976-77 to 19.16 million tonnes in 1978-79 and to 28.08 million tonnes in 1980-81.

ISI No. 37 (Para 213) of 103rd Report of PAC (1981-82)-Seventh
Lok Sabha]

Action taken

The observations of the Committee are noted.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC|VII|103 dated 12-3-1983]

Recommendation

During evidence, the representative of the Department of Coal informed the Committee that there has been improvement in the loading of coal by railway wagons. At the end of November 1981, on an average 9800 wagons were loaded per day and they hope to achieve record loading of 10500 wagons a day by March 1982. Despite a very high level of loading in November, the stock at the pithead had, however, gone up because of the increase in production of coal.

[SI. No. 38 (Para 214) of 103rd Report of PAC (1981-82)-Seventh
Lok Sabha]

Action taken

The observations of the Committee are noted.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC|VII|103 dated 12-3-1983]

Recommendation

The Committee were further informed that during the last 2-3 years 9 to 11 per cent annual growth in production of coal has been maintained and that pithead stock level at 10 to 12 million tonnes is considered more than adequate and reasonable. The Department of Coal would like to bring it down from 15 million tonnes to 10 to 12 million tonnes and for this purpose coal fields require increasing number of wagons if the coal despatches are to keep pace with the increasing production.

[Sl. No. 39 (Para 215) of 103rd Report of PAC (1981-82)-Seventh Lok Sabha]

Action taken

The recommendation of the Committee has been noted. Loading of coal, which had received a setback in 1979-80 and 1980-81, due to various constraints like law and order problems in Dhanbad area, power failures, strikes in collieries as well as staff agitations, started improving from November 1980 onwards. The improvement has been maintained as will be seen from the following figures :—

	(In million tonnes) Total Coal carried by Railways
1978-79	78.9
1979-80	75.8
1980-81	77.8
1981-82 (Prov.)	88.3

The Railways are presently meeting the requirement of wagons in full in all the fields and are lifting all the coal that the coal companies are able to bring from the pitheads to the railheads and arrange its loading in wagons. Some of collieries are as a matter of fact not able to load all the wagons supplied within the scheduled time.

The main problem of the collieries is that a large quantity of coal, which may be 70-80 per cent of their total production, is being mined and stacked at places which are far away from the rail-heads. The Coal Companies have to arrange movement of coal from the pitheads to rail-heads for loading in railway wagons. The Railways are in a position to move all the coal they can bring to the rail-heads for loading in wagons.

The Ministry of Energy, Department of Coal have advised as follows :

“All efforts are being made by the coal companies to liquidate the pithead stock. Keeping in view the necessity of liquidation of stocks, the Coal India Ltd. has prepared a detailed plan for this purpose.. The plan includes, *inter-alia*, the colliery-wise grade of coal stocks, the anticipated production, the rail loading capacity and the loading infrastructure etc.”

This has been seen by Audit, who have made the following observation :

“The PAC may like to call for from the Ministry of Energy the data of pit-head stocks in recent years and their detailed plan for transport of coal from pit-head to rail-head.”

[Ministry of Railways O.M. No. 82-BC-PAC|VII|103 dated 10-3-1983]

Recommendation

In this connection the Department of Coal have informed the Committee that with a view to increase the quantum of coal carried by rail as a result of increase in production of coal every year. Railways have been requested to make available wagons according to the coal fieldwise requirements, to avoid supplying rakes of covered wagons (jumbo rakes) of rakes having a mixture of open and covered wagons at sidings where coal companies have mechanised loading arrangements. The Railways have also been requested to ensure supply of wagons according to a fixed time schedule and avoid erratic supply of wagons or bunching of supplies, particularly at such sidings where coal companies have to resort to loading manually. The Committee would like the Ministry of Railways to consider these suggestions of the Department of Coal and intimate to the Committee the measures taken by them in this regard.

[Sl. No. 40 (Para 216) of 103rd Report of PAC (1981-82)-Seventh Lok Sabha]

Action taken

The recommendation of the Committee is noted. Wagon supplies are normally arranged keeping in view the loading facilities available at the colliery sidings. The recommendation of the Committee has been conveyed to coal loading Zonal Railways for implementation.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC|VII|103 dated 5-3-1983]

Recommendation

The Committee would urge upon the Department of Coal to issue necessary instructions to the Coal fields to augment the supervisory checks in regard to loading of coal wagons to ensure better utilisation of wagons supplied. Since movement of coal by road leads to wastage of precious diesel and consequent burden on the foreign exchange, the Committee hope that close coordination will be maintained by Coal Companies with the Railways at all levels to maximise movement on coal by rail.

[Sl. No. 41 (Para 217) of 103rd Report of PAC (1981-82)-VII
Lok Sabha]

Action taken

The recommendation of the Committee is noted. Very close coordination is now being maintained between the Ministry of Railways and Ministry of Energy (Department of Col). Coordination meetings are also being regularly held at the field level as well as the Divisional and Railway Headquarters' level with the concerned coal authorities.

Both the Ministries are following guidelines formulated by the Cabinet Committees on Industrial Infrastructure from time to time.

As a result of these coordinated efforts, both the production and despatches of coal have gone up substantially during 1981-82.

The Ministry of Energy, Department of Coal have advised as follows:—

“Suitable instructions have been issued to the collieries to augment the supervisory checks in regard to loading of wagons to ensure better utilisation of wagon capacity. A close liaison is being maintained with the Railways at different operating levels to maximise the movement of coal by rail.”

This has been seen by Audit

[Ministry of Railways O.M No. 82-BC-PAC.VII,103 dated 10-3-1983]

Recommendation

In regard to the movement of fertilisers also, the Committee find that Ports as well as domestic fertiliser factories are experiencing shortage of wagons. That the shortage was uniform is borne out by the fact that during each month in the last three years *i.e.* from April 1978 to March 1981 the average number of wagons supplied to the ports and domestic fertiliser factories was far less than that indented by them. The quantum of this shortfall is evident from the fact that during 1980-81 the number of wagon indented

by domestic fertiliser factories and ports was 13771 and 33619 and that actually supplied to them was 5554 and 4665 respectively. The quantity unloaded at Ports and domestic production, according to Ministry of Agriculture, increased from 11.68 million tonnes in 1978-79 to 11.99 million tonnes in 1979-80 and to 12.91 million tonnes in 1980-81. The Railways could not meet the demand for more wagons to cope with the increase in total quantum of fertilisers to be transported during these years, as is borne out by the fact that whereas the quantity of fertilisers moved by rail declined from 8.6 million tonnes in 1978-79 to 8.2 million tonnes in 1979-80 and further to 8.1 million tonnes in 1980-81, that transported by road increased from 3.1 million tonnes in 1978-79 to 3.8 million tonnes in 1979-80 and further to 4.8 (approx.) million tonnes in 1980-81.

[Sl. No. 42 (Para 218) of 103rd Report of PAC (1981-82)-Seventh
Lok Sabha]

Action taken

The movement of fertilizer from ports as well as from the fertilizer plants is done as per the pattern decided jointly by the Ministry of Railways, Department of Agriculture and the fertilizer handling agencies. Every effort is made to supply wagons as per the quotas fixed. There are however day today variations either because of problems of movement or problems in connection with timely loading or unloading of inward wagons or problems with the loading labour or production capacity problem of drop in consumption levels, etc. The cumulative total of outstanding demands placed on the railways does not reflect the actual requirement of the industry. Fertilizer is susceptible to block rake movement. The plants place demand in block rakes but clearance has to be done as per the quota, i.e. if the target is 25 wagons a day then a block rake is supplied every 3rd day. For actual loading of 75 wagons, the cumulative outstanding demand would be $75 \times 3 = 225$ wagons. Similarly, at major plants, the demand of 100 wagons for a terminal may remain outstanding for 3 or 4 days and will cumulatively become 400 whereas the material available will be for only 100 wagons. Thus, the cumulative outstanding demand does not reflect the actual requirement of fertilizer traffic and should not be taken as the correct picture of the situation.

The Railways have organised their movement in jumbo rakes and with this the transport capacity available has improved considerably. On the other hand the requirement for wagons for movement of fertilizers has gone down. The overall fertilizer traffic during the month from January 1982 onwards has been much below the quota fixed. As a result of this against a monthly target of 0.8 million tonnes, the actual loading has been only 0.7 million

tonnes. During the first six months of the current year, the movement has been less as compared to the target to the extent of 0.6 million tonnes because of less offering. The Railways are now asking for more traffic and it is not being offered.

Rationalisation of this traffic is a continuous affair and regular coordination meetings are held at different levels between the Department of Agriculture, Ministry of Railways and the fertilizer handling agencies. The Railways are confident that the projected demand of fertilizers in the year 1982-83 will be fully met, provided the traffic is offered regularly every month.

The Ministry of Agriculture have no comments to offer on this recommendation.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC|VII|103 dated 5-3-1983]

Recommendation

The Committee are informed that for the year 1978-79, the Department of Agriculture and Cooperation had revised their target of rail capacity requirements for fertilisers from 9.2 million tonnes to 11 million tonnes. The Ministry of Railways however, agreed to provide a capacity of 9.2 million tonnes only. Keeping in view the shortage of wagons, the Department of Agriculture in consultation with the Ministry of Finance agreed that the imported fertilisers should be moved by road upto 500 km. and indigenous fertilisers upto 1000 km. by subsidising the additional cost of road haulage. The distance upto which imported fertilisers were to be moved by road was also subsequently stepped upto 1000 km. in May 1979. The actual rail movement of fertilisers during 1978-79 and 1979-80 was 8.6 million tonnes and 8.2 million tonnes, the average lead having increased from 929 km. in 1976-77 to 1038 km. in 1978-79 and 1122 km. in 1979-80. According to the Ministry of Agriculture, the programme for movement of fertilisers was drawn up in coordination meetings with the Railway Board, but in view of the inability of the Railways to provide the required number of wagons at ports close to the consumption centres, they were compelled to move fertiliser from distant port locations in the South which inevitably added to the lead of the fertiliser movements. The Committee are of the opinion that movement of fertilisers during these years by rail/road to various points of consumption centres was not properly coordinated between the two ministries resulting in increase in lead of rail traffic and diversion of considerable

quantum to road. The Committee are unhappy at this lack of coordination and would like remedial measures in this regard to be taken early.

[Sl. No. 43 (Para 219) of 103rd Report of PAC (1981-82)-Seventh Lok Sabha]

Action taken by Ministry of Railways (Railway Board)

Ministry of Railways are fully conscious of the need to maintain close coordination with Ministry of Agriculture for loading of fertilizers. Meetings are arranged by that Ministry as well as by the Railways to sort out problems and ensure speedy clearance of this traffic. Loading of fertilizers is closely watched by this Ministry as well as by the Zonal Railways and there is already considerable improvement in loading. During 1981-82, 9.56 million tonnes of fertilizers were loaded as against 8.11 million tonnes loaded in 1980-81 and 8.23 million tonnes in 1979-80.

Action taken by Ministry of Food and Agriculture

Department of Agriculture is a user Ministry and dependent on the Ministry of Railways for movement of fertilizers exports/plants. While this Department can reiterate the necessity of the rail transport capacity at various forums and draw up movement plans in consultation with Ministry of Railways and others, it is the Ministry of Railways who have to ensure efficient implementation of the movement plans on a daily basis from every port and major fertilizer plants. The overall performance of the Railways in carrying the revenue earning traffic including that of fertilizer has not been satisfactory during the years 1978-79 to 1980-81 as would be observed from the following figures:

Year	(Million tones)	
	Total revenue earning traffic	Fertilizer traffic
1978-79	199.6	8.6
1979-80	193.1	8.2
1980-81	195.9	8.1

It was the Railways' overall inability to lift all the freight traffic offered by the economy that is reflected in less loading of fertilizer. There was no lack of coordination between the Ministry of Railways and the Ministry of Agriculture. In fact, in order to improve the level of coordination between these two Ministries, the Ministry of Agriculture has taken on deputation a senior railway transportation officer from the Ministry of Railways and he has been maintaining perfect coordination between the two Ministries. The fertilizer movement programme is drawn up on a quarterly basis in a meeting attended by representatives of indigenous fertilizer manufacturers,

Ministries of Agriculture, Chemicals and Fertilizers, Railways and the Fertilizer Association of India. The Railways point of view with regard to feasibility of movement from a particular fertilizer plant to a particular State is always taken into account. Their views with regard to the Railways' overall rationalisation programme for movement of freight traffic are also taken into account. After finalisation of the programme almost on a day-to-day basis coordination is maintained between the Railways at the level of the Ministry of Railways and the Ministry of Agriculture with regard to any shortfall in day-to-day movement of fertilizer. On a monthly basis a meeting is held at Zonal Railway headquarters where representatives of fertilizer manufacturers served by the Railways concerned, those of Ministries of Agriculture, Chemicals and Fertilizers as well as of the Railways are represented. In this meeting the performance of the previous month is reviewed and in consultation with the Railways the movement programme for the following month is finalised.

There is also a 6-monthly conference on fertilizer requirement as well as movement from various sources of availability between different states. In this meeting also representatives of the Ministry of Railways participated.

With coordination between the Ministries of Agriculture, Chemicals and Fertilizers and the Railways as indicated above it was possible to achieve the all time high figure of movement of fertilizers by rail during the year 1981-82. The figures of movement by rail during the last 5 years are given below :—

Year	(Million Tonnes) Traffic moved by rail
1977-78	8.2
1978-79	8.5
1979-80	8.2
1980-81	8.1
1981-82	9.5

The movement requirement was fully met during 1981-82. During the current year, namely 1982-83 also the movement requirement by rail is being fully met.

A programme for rationalising the movement of fertilizer by rail was being simultaneously pursued in order to bring down the lead of fertilizer movement in the country. Considerable progress in this direction was also achieved as reflected in the following figures :

Year	Average lead in Kms
1978-79	1038
1979-80	1122
1980-81	1086
1981-82	1010
1982-83 (Upto August, 1982)	901

The coordination between Ministry of Agriculture and the Ministry of Railways at different levels indicated above are being maintained and it is hoped that it should be possible to bring about further improvement particularly in the matter of rationalisation in the movement of fertilizer during the coming months.

This has been vetted by Aduit.

[Ministry of Railways O.M. No. 82-BC-PAC|VII|103 dated 5 March, 1983]

Recommendation

The Committee have been informed by the Railway Board that as the concept is to move foodgrains in train-leads between two terminals it is in the interest of the economy to have full length sidings to accommodate full length, trains as a policy measures. While attempts had been made by them to rationalise the movement of foodgrains in block rakes, timely remedial measures such as provision of adequate siding facilities at the godowns to facilitate quick loading/unloading had not been taken by the Ministry of Food and Agriculture|Food Corporation, Consequently, block rake loading at stations in Punjab and Haryana had to be done by blocking running lines resulting in detention to wagons and affecting their turn round. The Ministry of Agriculture have admitted that out of many godown centres, each with a capacity of 10,000 MT or more in Punjab and Haryana, captive sidings are available in only 4 godowns. However, the problem that the FCI has been facing in speedy execution of the siding works by the Railways has been insistence on the part of the Railways to provide full rake length sidings of 75 wagons in each case. The land for

the purpose of constructing godowns had already been acquired in many cases where siding facilities were being provided in 2 or 3 spurs without insistence on full rake siding. The change in the policy has caused serious delays in finalisation and execution of the works. Further, according to the Ministry of Agriculture it may not be possible under the new policy of the Railways regarding provision of Railway sidings to have siding facilities for godowns having even 10,000 tonnes capacity. (Para 220)

The Committee regret to observe that the matter could not be sorted out at proper level between the Ministry of Agriculture and the Ministry of Railways. They are of the view that where the land has been acquired by FCI and the siding facilities are being provided in 2 or 3 spurs and in godown where FCI is experiencing difficulties in acquiring sufficient land for rake siding, the Ministry of Railways may not insist on full rake siding. Where the land and other requisitions are available the FCI/Deptt. of Food should initiate proposal for railway siding suitable for block rake loading.

The Committee would like the Ministry of Railways and FCI/Deptt. of Food to maintain a close coordination between them so as to provide adequate siding facility at maximum number of godowns particularly in Punjab and Haryana. (Para 221).

[Recommendations No. 44 and 45 (Paras 220 and 221) of 103rd report of PAC in (1981-82) of VIIIth Lok Sabha]

Action taken

The Ministry of Railways have no comments to offer. (Para 220)

The Committee's recommendation has been noted. Necessary instructions in this regard have been issued to the Railways. In their Action Taken Note on Recommendation No. 44 the Ministry of Agriculture have confirmed that siding facilities in 2 or 3 spurs are already being provided in the FCI's storage complexes at 34 places. (Para 221).

A copy of the action taken note of the Ministry of Agriculture on recommendation No. 44 and 45 of Paragraphs 220-221 of the 103rd report of the PAC (7th Lok Sabha) 1981-82 is enclosed (annexure).

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC|VII|103 dated 5-3-1983.]

ANNEXURE

MINISTRY OF AGRICULTURE

(Deptt. of Food)

Action taken note on recommendations contained at S. No. 44 and 45 of Paragraphs 220-221 of the 103rd Report of the Public Accounts Committee (Seventh Lok Sabha) 1981-82

With a view to coordinating the activities concerning location of storage centres and construction of storage godowns by Central agencies like FCI, CWC, etc., a Central Storage Committee has been functioning in the Department of Food under the Chairmanship of a Joint Secretary, with representatives of FCI, CWC, Railway Board, Planning Commission, Finance, etc. The Committee meets from time to time and clears the proposals for building godowns by the Central agencies, after taking into account various factors such as procurement|distribution needs, availability of land, feasibility of railway siding, etc. Currently, full rake length sidings are being provided in the FCI's storage complexes at 27 places in the country including 6 in Punjab and 2 in Haryana. Similarly, siding facilities in 2 or 3 spurs (half rake length or so) are being provided in the FCI's storage complexes at 34 places including 5 in Punjab and 2 in Haryana.

2. The recommendations of the Committee that the Ministry of Railways and FCI Deptt. of Food should maintain a close coordination between them to provide adequate siding facilities at maximum number of godowns particularly in Punjab and Haryana, have been noted. In this context, it is stated that the Government of India (Department of Food) have already constituted (in March, 1982) a Study Group headed by an eminent economist with representatives (Senior Officers of the rank of Joint Secretary or so) from the Ministries of Railways and Shipping and Transport and the Food Corporation of India, for formulating a comprehensive plan for movement of sponsored foodgrains from the surplus States to deficit States. The aspect of storage and other infrastructural facilities available to major procuring agencies with special reference to loading and unloading at critical nodal points is also to be examined by the Study Group. The observations of the Committee have been communicated to the Study Group for keeping the same in view while examining the matter.

CHAPTER III

RECOMMENDATIONS|OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM GOVERNMENT

Recommendation

The Committee note that a type-wise analysis of the 59,338 wagons procured during the years 1974-75 to 1978-79 disclosed that as many as 15,154 special type wagons (besides 25,307 covered wagons, 16,199 general purposes open type wagons and 2678 brake vans) had been procured and some of the types of special wagons procured during this period were not generally in demand by trade and industry. The special wagons as for instance, BRHT (6,438 Nos.) for carrying long length finished steel products from steel plants, BOY (3,300 Nos.) for transporting iron ore for export in closed circuit sections of the South Eastern Railway and BOBS (2,010 Nos.) for transport of raw materials to the steel plants had been procured and ordered from 1974-75 onwards in excess in relation to the traffic that materialised but these could not be diverted to meet the traffic demand for general purpose, open or covered, wagons. The Committee cannot but conclude that this provisioning of excess BRHT and BOBS wagons and their underutilisation clearly indicate the faulty planning of procurement of wagons particularly when Railways have been complaining of inadequate allocation of funds. The Committee expect the Ministry of Railways to undertake a fresh assessment of the requirements of wagons and take necessary corrective measures.

[Recommendation No. 8 (Para 184) of the 103rd Report of P.A.C.,
1981-82]

Action taken

The observations of the Committee are noted.

2. It may, however, be submitted that position regarding procurement of special wagons, viz. BRHT and BOBS, had been explained in the written note sent earlier. As brought out in the note, provisioning of such stock was made on the basis of traffic then anticipated at the end of the Fifth Plan. Since traffic dropped during the early years of 1970s, it appeared that an excess provisioning had been made. But when traffic picked

up in 1976-77 and 1977-78, there was no idling, proving that there was no excess provisioning.

BRH holding even today is inadequate to meet the requirements and suitable provisioning is being made. But in a situation of overall shortage, shortage of one category or the other is unavoidable.

The requirements are being re-assessed every year when making the Annual Rolling Stock Programme, and corrections are made to the extent possible as required in the context of latest development in the nation's economy. For example, in the year 1980-81 Rolling Stock Programme the orders for about 800 Breakvans were converted into other type of wagons e.g. tank wagons.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC|VII|103 dated 12-3-1983]

Recommendation

The Committee are constrained to point out that substantial number of wagons, though manufactured by wagon builders, could not be taken over from them and put on line for traffic use but had to be kept stabled in their workshops for want of wheel sets and roller bearing axle boxes. These fittings which were required to be supplied to wagon builders as free supply items could not be arranged by the Railway Board in adequate numbers to match the delivery schedule of wagons. During 1976-77, the maximum number of wagons stabled in a month was 217 numbers in 4 wheelers units. During 1977-78, stabling was resorted to only in the month of March, 1978 and 300 numbers in 4 wheelers were stabled as on 31st March, 1978. During 1978-79 and 1979-80, on an average 839 and 784 wagons per day, out of 12,056 and 10,827 wagons respectively built for the Railways had to be kept stabled on this account. The loss to the Railways because of stabling of wagons has increased in subsequent years as during 1981-82 upto 31 December, 1981 while the average monthly out-turn of wagons was 1.367 as many as 1321 wagons per month on an average were stabled because of non-availability of components which are supplied free to the wagon builders. According to the Ministry of Railways, the stabling has been taking place for shortage of wheel sets from Durgapur, delays in arrival of imported wheel-sets and short supply of Laminated Bearing Springs by L-B Spring manufacturers. The Committee cannot but express their serious concern over the increase in number of wagons stabled since 1976-77. This stabling has resulted not only in revenue loss to the Railways but the country has also been deprived of the use of these wagons for haulage of traffic at a time when there is a huge

outstanding demand for wagons. The Committee feel that there was clearly had planning on the part of Railways not to have arranged for the supply of these components simultaneously with the manufacture of wagons. The Committee hope that suitable steps would be taken in coordination with suppliers of wheel sets and matching sets of L-B springs to avoid any stabling of wagons in future.

[Sl. No. 9 (Para 185) of 103rd Report of the PAC 1981-82 VIIth Lok Sabha]

Action taken

The observations have been noted.

Production of wagons is planned on a year to year basis depending upon the allocation of funds. Arrangements for procurement of wheelsets and free supply inputs are made to match the planned wagon production, after close coordination with the manufacturers of wheelsets and free supply items.

After taking into account the expected supplies from indigenous sources, if there is an uncovered gap for meeting the requirements of wagon production, immediate action is taken for balancing imports. However, in the course of any year, if wagon production has to be stepped up owing to additional availability funds or because of variations in the product-mix, additional quantities of wheelsets and free supply inputs as required are to be arranged separately. As some of these are long-lead items, there is occasionally a gap between the demand and supply. In such cases and also where there are slipages in supplies of both indigenous and Imported wheelsets and components against expectations due to unforeseen and un-avoidable reasons, stabling of wagons has to be permitted to keep the production lines of wagon builders going. As soon as the Free Supply items in short supply are available, the stabled wagons are released. Nevertheless, stabling is resorted to whenever inescapable and to the minimum extent feasible.

The suggestions made regarding co-ordination with suppliers of wheelsets and components are being followed. Co-ordination meetings are periodically held, generally every quarter, with Durgapur Steel Plant to ensure timely supply of wheelsets to meet the requirements of wagon production as per planning. Actual supplies are also monitored through monthly meetings. Similarly every month meetings are held with the suppliers of free supply

items including springs, with the object of ensuring timely and adequate supplies. Further the supply of imported wheelsets is also closely monitored

This has been seen by Audit.

[Ministry of Railways, O.M. No. 82-BC-PAC|VII|103 dated 10-3-1983]

Recommendation

The demurrage charge leviable since 15 February, 1981 for detention to wagons in steel plants is Rs. 120 for 4 wheeler wagons per day or part thereof, whereas the rate for public|trade is Rs. 316.80 for first 24 hours. According to the Ministry of Railways the rate of demurrage charges is fixed by correlating it to the average earning capacity of BG 4 wheeler wagon per day during 1981-82 is estimated at Rs. 120.15. The Committee find it surprising that although the rate of demurrage for detention to wagons in the steel plants has been kept at a lower level than that for the general public; substantial demurrage charges were outstanding against the steel plants as on 31st March, 1981. Whereas on Eastern Railway these were Rs. 5.24 lakhs, the demurrage charges outstanding were as high as Rs. 968.46 lakhs in South Eastern Railway and these have not yet been realised. The Committee take a serious view of these large outstandings. They feel that in view of the continued detentions of wagons in steel plants there is an urgent need not only to realise the outstandings, but also to consider the desirability of upward revision in the rate of demurrage charges in case there is no reduction in the detention time.

[Sl. No. 27—(Para 203) of 103rd Report of PAC 1981-82 of
7th Lok Sabha.]

Action taken

The observations of the Committee are noted. The various aspects of the matter have been examined. It is submitted that the Steel Plants have all along been shown some consideration in the matter of free time and the rate of demurrage for detention to wagons inside their premises. The rate of demurrage, does however, undergo an upward revision from time to time. The rate of demurrage which was Rs. 16|- per day for a 4 wheeler B. G. wagon upto 30th April, 1973 and was enhanced to Rs. 50|- in May, 1973 again to Rs. 75|- in September, 1979, and to Rs. 120|- with effect from 15-2-1981. Thus within a period of about 8 years i.e. from 1973 to 1981 there has been a 750 per cent increase in the rate of demurrage charge for wagons for Steel Plants from Rs. 16|- to Rs. 120|- per day.

Similarly, the free time allowed for dealing with different kinds of wagons inside their premises has been reviewed from time to time. In 1977, an Expert Committee consisting of representatives of Ministry of Railways, Steel and Mines and Steel Authority of India was appointed to go into the question of fixing realistic free time for Railway wagons dealt with in Steel Plants which remained in force upto 30th September, 1981.

The Railway Tariff Enquiry Committee in their final report have since made a recommendation that time studies should be carried out again jointly by the representatives of the Railways and its major users with a view to determining realistic free time required for loading/unloading of full train loads, particularly at important stations where considerable quantum of traffic originates/terminates. They have further stated that unrealistic free time for loading/unloading does not bring about any significant improvement in wagon utilisation. Keeping in mind the RTEC's recommendations and the suggestions of the PAC in their 103rd Report, another expert committee consisting of representatives from the Railways, Steel Plants and Planning Commission has been appointed to go into the question of free time to be allowed to Steel Plants and the need for optimal utilisation of Rolling Stock. The recommendations of the Expert Committee are awaited.

The Steel Plants are the largest single customers of the Indian Railways in terms of inward traffic of raw material and outward traffic of finished products transported to and from these plants. To give a rough idea of the magnitude, in 1980-81, 20.7 Million tonnes of raw material were carried into the Steel Plants and 7.3 million tonnes of finished products were transported out of the plants. This constituted roughly 146 of the total traffic carried by the Indian Railways in a year and is almost equal to the traffic moved from one of the smaller zones of the Indian Railways. The little consideration in respect of both demurrage charges and free time has, therefore, been shown to the Steel Plants considering the magnitude of business. In view of this, it is submitted for reconsideration of the Committee that the rates of demurrage charges, which have undergone an increase of 750 per cent over the last 8 years, and the amount of free time allowed which is already under examination by a high powered inter-Ministry Group may be allowed to continue for the present. These rates will be considered for revision at the time of next revision of demurrage rates for the general Rail users.

As regards the settlement of outstanding dues from the Steel Plants, the statement given below shows the clearance of demurrage charges outstanding against steel Plants.

(Figures in thousands of Rs.)

	Amount outstanding upto 31-3-1982	Amount cleared up to 6/1982 out of Col. (a)
	(a)	(b)
Bhilai	17,667	9,150
Rourkela	18,873	14,500
Bokaro	2,127	2,871
IISCO	10,063	7,487
Durgapur	2,237	1,343
TISCO	54,141	24,252

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC/VII/103 dated 5-3-1983.]

Recommendation

According to the Ministry of Railways (Railway Board) the present wagon shortage is attributable to a significant extent to the increase in lead as extra time is needed for the wagon to cover the additional distance and, further, the wagon may have to be hauled over additional intermediate yards involving extra detention en route. The Committee note that the increased in lead from 656 Km in 1976-77 to 717 Km in 1979-80 was mainly due to the much longer average lead in respect of foodgrains, fertilizers, and cement, due partly to cross-country traffic and partly to diversion of short/intermediate lead traffic to road because of the inability of the Railways to cope with the demand. The Railway Board have stated in this connection that there are constraints where the imports or seasonal or other shortages at the linked source of supply determine the pattern of movement. Imports of fertilisers are being made at Vishakhapatnam Port instead of at Kandla, Okha and Porbander with the resultant increase in lead for movement of fertiliser for Punjab and Harvana. Similar is the case of Rock Phosphate. Further according to the Ministry, the Calcutta Port which should be meeting the requirements of Bihar, Eastern UP and the North Eastern States is loading not more than 25 wagons per day although the Railways are prepared to load upto 100 wagons a day from this port and also the rail capacity available at Haldia is not being utilised. The Committee feel that this is clearly indicative of lack of proper coordination between the Ministry of Railways and Ministry of Shipping and Transport

as well as user Ministries. The Committee would like the Ministry of Railways to sort out this matter with the Ministries/Departments concerned with a view to evolving and finalising a coordinated approach to rationalise the movement of these commodities so as to reduce the lead of traffic as far as possible and to put the available wagon capacity to the best possible use.

[S. No. 29, (Para 205) of 103rd Report of PAC 1981-82 of 7th Lok Sabha]

Action taken

The recommendation is accepted. But it must be stated that close coordination is already being maintained with the Ministries as well as agencies responsible for import of fertilizers, foodgrains, steel, etc. Regular meetings are held with the Ministry of Shipping and Transport to rationalise the unloading and movement from the ports of major commodities and with the Ministries of Food & Agriculture for rationalising the import and movement of fertilizer and foodgrain within the country. As a result of these efforts, lead of fertilizer traffic has already come down. As more and more movement gets rationalised, the lead is likely to come down further.

In respect of foodgrains, however, there is little likelihood of reduction in the lead. The main surplus areas are in the North-Western parts of the country i.e., Punjab, Haryana and Western U.P. Deficit states are mainly the Northeast Frontier States, West Bengal and Kerala. In view of these factors, the lead of foodgrains traffic will continue to be high. Whenever foodgrains are imported they are unloaded in Tamilnadu, Kerala and West Bengal so that the needs of those states can be met and the lead of this traffic within the country may become less. As regards cement, linkages are decided between the Cement Controller and the Ministry of Railways. Here also, the effort is to arrange supply from the nearest rational source. Such linkages cannot however always be maintained as the situations change due to factors like power supply, labour situation etc. Similarly, whenever any port gets congested or faces a strike, the lead becomes longer.

The actual movement and lead of foodgrains, fertilizer and cement is given below :

Name of commodity	Tonnage		Net tonne Kms		Average lead	
	1980-81	1981-82 (in million)	1980-81	1981-82	1980-81	1981-82 (in Kms.)
Foodgrains	18.33	21.51	24308	28111	1326	1307
Fertilizers	8.11	9.56	8922	9665	1100	1011
Cement	9.64	10.79	7189	8072	746	748

This has been seen by Audit.

[Min. of Railways O.M. No. 82-BC-PAC|VII|103 dated 5-3-1983]

Recommendation

The Cement Controller has informed the Committee in this connection that the Cement Controller's instructions to the factories are that except for distances below 250 kms cement is to be moved by rail to the extent possible if wagons are made available but they do not have any statutory power to compel factories to send cement by rail. It is however, pertinent to note that this office is permitting freight reimbursement on movement by road beyond 100 Kms for Government Parties and 350 kms for other consignees with extra weightage over rail freight to cover part cost of additional road freight incurred for movement by road from Cement Regulation account and to this account, it costs about Rs. 5 crores to Rs. 6 crores per year. Due to several increases in diesel prices and other costs of operations, transport companies are charging much higher freight from the consignees which unnecessarily increases burden on consumers, including Government Departments, and causes strain on road transport system.

[Sl. No. 34 of Para 210 of 103rd Report of PAC (1981-82)—Seventh Lok Sabha.]

Action taken

Ministry of Industry (Cement Controller) have advised as follows:—

“All cement factories have been instructed to move maximum quantities by rail as far as possible depending on availability of wagons and booking restrictions. Restrictions on movement of cement by road upto 250 Kms is applicable only if wagons made available by the railways are not sufficient to move cement for destinations beyond 250 Kms. If extra wagons are available, these can be utilised for loading cement to destinations even within the distance range of 250 Kms. Recently, instructions have been issued for stopping all movements upto 50 Kms. by rail due to sharp increase in rail freight rate by revising the minimum distance for charge from 50 Kms to 75 Kms. Due to severe increase in rail freight rates during 1981, extra weightage allowed to ORC parties have been withdrawn and in case of RC parties, weightage have been reduced, the additional incidence to Cement Regulation Account for movement of Cement by road is negligible.”.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC|VII|103 dated 12-3-83]

Recommendation

The Chairman, Railway Board had informed the Committee that the Railways had written a letter to the office of the Cement Controller suggesting (i) that subsidy should be given strictly on the condition that they should carry the cement beyond 250 kms. by rail, (ii) that subsidy limit in the South may be reduced from 250 kms to 150 kms and (iii) anything moved beyond 250 kms by road must be on a specific certificate by the Railways that they were not able to move the cement by rail. Reacting to these suggestions the Cement Controller had stated "I would not only accept it but I will welcome it". The Committee have also taken note of the statement made by the Chairman of the Railway Board before the Committee that "very often there is vested interest in loading by road." The Committee feel that this is a disturbing situation with Railways claiming adequate capacity to transport cement provided these are offered in block loads and the cement factories moving increasing quantities of cement by road because of so called non-availability of wagons. The Committee feel that there is an urgent need for this matter to be sorted out at the highest level between the Ministry of Railways and Ministry of Industry so that movement of cement by road which not only puts additional burden on the consumer but also results in wasteful use of scarce petroleum products could be reduced to the barest minimum. The Committee feel that in view of the partial decontrol of cement, the whole question of subsidy needs to be reviewed.

[Sl. No. 35 (Para 211) of 103rd Report of PAC (1981-82)-Seventh
Lok Sabha]

Action taken

Due to change in the policy of cement distribution involving partial decontrol effective from 28th February, 1982, a substantial portion of the production is now outside the purview of freight reimbursement from the freight pool (Cement Regulation Account). Cement Controller has, therefore, no control over these movements.

As regards levy movements, in view of the increased availability of railway wagons, cement factories in the Southern Region have been instructed and are using maximum rail transport and the incidence of road movement has come down. The obtaining of specific certificate from the Railways in respect of each movement has not been found practicable.

This has been seen by Audit.

[Min. of Railways O.M. No. 82-BC-PAC|VII|103 dated 5-3-1983]

Recommendation

The Committee note that loading of foodgrains, fertilisers and cement in open (BOX) wagons covered with tarpaulins was permitted by the Railway Board in November 1978 subject to these wagons being booked for short distances and over routes not likely to be affected by rain. These conditions were, however, not observed by the Railway staff and open wagons with the above commodities were despatched to distant places. For examples, 29 BOX wagons containing wheat booked by Food Corporation of India on 30-6-1981|1-7-1981 at Barnala Railway Station on Northern Railway for Dhanbad duly covered with tarpaulins were received at Dhanbad on 6-7-1981. Due to congestion in FCI's godown at Dhanbad, fresh booking of the rake was made on 10-7-1981. 17 BOX wagons from this rake were received at Tatsilwai Railway Station and 12 BOX wagons at Ranchi Railway Station. Delivery of the consignment was given to FCI on assessment of damages as contents of some wagons were found damaged by wet on account of rain since some of the tarpaulins got disturbed during transit. The Committee strongly disapprove the use of open wagons for the commodities such as cement, foodgrains, fertiliser etc., particularly when the Railways have claimed that the traffic requiring use of covered wagons was only 34 per cent while such wagons are available to the extent of 54 per cent. Since such commodities transported in open wagons even if covered by tarpaulins in turn entail unnecessary expenditure and can fall easy prey to pilferage or got damaged in rain, it is desirable that these are booked in covered wagons only thereby releasing sufficient open wagons for loading of coal at collieries. The Committee recommend that necessary instructions may be issued by the Railway Board to all concerned. In case the number of covered wagons with the Railway is not commensurate with the increase in traffic in commodities needing such wagons, immediate measures may be taken to procure such wagons.

[Sl. No. 46 (Para 222) of 103rd Report of PAC (1981-82)—Seventh Lok Sabha.]

Action taken

The recommendation of the Committee is noted. Programme for acquisition of new wagons are drawn up on the basis of traffic anticipated and funds available. The attempt is to match the acquisition to the requirements. While covered sock is normally used for damageable commodities like foodgrains, cement, fertilizers, sometimes it does become necessary to load these commodities in open wagons in order to avoid their unnecessary empty haulage and to improve the loading for short periods only.

Some imbalance in the holding of covered wagons is bound to take place, where the wagons go loaded with minerals like coal from sidings, where

mechanised handling plants are provided and are, on release, to be back-loaded with commodities requiring covered wagons, e.g., foodgrains from Punjab. A total view has, therefore, to be taken so as to reduce empty haulage and investment on wagons where it can possibly be avoided in the interest of consideration of nations' resources. Above all running of empties in both directions in the same section also causes extra strain on line capacity, which could be rather utilised for loaded traffic than empty trains.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC|VII|103 dated 5-3-1983]

CHAPTER IV

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

Recommendation

The Committee have been informed that the Planning Commission had provided funds for procurement of 1 lakh additional wagons during the Sixth Plan period against a requirement of 1.93 lakh wagons. Out of these, 50,000 wagons (in terms of 4-wheelers) were to replace overaged wagons which will number 64,000 during the plan. However, due to escalation in costs and financial constraints it will now be possible to procure only 75,000 wagons during the Sixth Plan period. In case all the overaged wagons are replaced, there will be a net addition of only 11,000 wagons. The Committee note that the Sixth Plan provides for a target of 309 million tonnes of originating traffic to be hauled by the Railways in 1984-85. However, the Ministry of Railways have stated that due to inadequate allocation of funds it would not be possible for them to carry more than 280 million tonnes. The Committee have, however, an apprehension that due to inadequate rolling stock and in view of the fact that even in 1982-83 i.e. third year of the Plan, Railways have fixed the target of carrying only 230 million tonnes of freight traffic it would not be possible for the Railways to achieve even the target of 280 million tonnes of traffic by 1984-85. This would inevitably have an adverse impact on the various sectors of the economy, the Committee, therefore, recommend that the Planning Commission should examine the matter in depth and make adequate allocation to enable Railways to replace their overaged rolling stock and make requisite addition to the same to achieve the target of freight traffic contemplated in the Plan. In addition, the Committee would recommend that the Ministry of Railways (Railway Board) should also accord due priority to allocation out of available funds for increasing vital traffic facilities, track renewals, etc. to optimise the use of available wagons, by reducing the turn-round, etc.

[Recommendation No. 7 (Para 183) of the 103rd Report of P.A.C.,
(1981-82)]

Action taken

At the time of the formulation of the Sixth Five Year Plan an outlay of Rs. 5100 crores was approved for the Railways on the basis of overall availability of resources. Within this outlay, one lakh wagons were to be procured to meet the needs both of replacement of overaged wagons and for the additional traffic generated in the Plan period. On account of price escalation, it is now apprehended that within the funds available it will not be possible to procure more than 78,000 wagons.

2. Railways' requirements of wagons is assessed annually at the time of formulation of Annual Plans, but procurement plan is ultimately subjected to availability of funds for purchase of wagons.

3. Whatever be the freight traffic requirements by the terminal year of the Sixth Plan 1984-85, with the procurement of 78,000 wagons altogether and using 64,000 of them for replacement of overaged wagons, the railways will be able, at best, to lift 285 million tonnes of originating traffic with an average lead of 710 km, against 309 million tonnes in the Sixth Plan. Even achievement of 285 million tonnes would be possible only through improvements in wagon utilisation as achieved in the past two years, from 1045 Net Tonne Kilometre per wagon day in use to 1175 NTKMs.

4. Taking into account the importance of Railways as a basic infrastructure, the needs of investment of Railways are considered in the Planning Commission only within the overall availability of various resources which are distributed amongst various sectors according to their respective priority. Against the requirement of Rs. 11,000 crores, as assessed by the Working Group on Railways, an outlay of only Rs. 5100 crores could be approved by the Planning Commission for the Sixth Five Year Plan. The actual/anticipated expenditure during the first three years itself is likely to reach a level of Rs. 3510 crores which is more than what would normally flow in 3 years from a Sixth Plan outlay of Rs. 5100 crores. Mid-term review as prepared by the Railways was also considered by the Planning Commission for increasing the outlay but only subject to overall availability of nation's resources.

5. The production of wagons during the VIth Plan (in 4-wheeler) is as follows :

1980-81 (Actual)	12064
1980-82 (Actual)	17362
1982-83 (Revised target)	15550
1983-84 (Target)	12500

Total	57476
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The production of the balance wagons depends on the allocation of funds during 1984-85, the last year of the VIth Plan.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC|VII|103, dated 12-3-1983]

Recommendation

Further, the proper loading of wagons upto their carrying capacity is required to be ensured and adjustment of loads is made so as to avoid underloading or overloading. A review of coal loaded wagons despatched from collieries revealed that there were cases of overloading of wagons leading to damage to wagons. On the Eastern Railway during 1976 to 1979, overloading of coal wagons varied from 14.7 to 39.7 per cent in the case of BOX wagons and from 11.9 to 43.1 per cent in the case of four wheeler wagons. As a result 33659 bearing springs of BOX wagons were damaged and the Railways administration had to incur expenditure of Rs. 64.63 lakhs on repair. The rules provide for adjustment of loads on the spot after weighment and levy of stringent demurrage charges for non-adjustment of loads. Though adequate weighment facilities exist in the Depot Yards of the Railways these rules were not being strictly observed and charges against the collieries were not being enforced. The Committee are not satisfied with the reply of the Railway Board that adequate facilities for weighment of wagons in depot yards do not necessarily imply adequate facility for adjustment of loads whenever loading of wagons attains large proportions and that it is for the coal companies to do correct loading as far as possible to avoid other difficulties. Since overloading contributes to damage and consequent sickness to the wagons and possibilities of overloading of wagons are more at the loading point, it is for the Railways to ensure that the wagons are not overloaded at any point and particularly at loading points.

[Sl. No. 21 (para 197) of 103rd Report of PAC 1981-82 of the
7th Lok Sabha]

Action taken

It is submitted that the responsibility for loading wagons upto its permissible carrying capacity rests with the consignors. To enable the parties not to exceed the permissible carrying capacity while loading, load lines have been marked on the wagons for different minerals. Further, with a view to discouraging overloading of wagons by the consignors, a new rule has been incorporated in the Goods Tariff w.e.f. 10th September, 1981 which provides that in case the extent of overload detected at the loading point, en route or at destination exceeds one tonne over the permissible carrying

capacity of the wagons, the entire overload should be charged at the 'Smalls' rate, which is much higher than the wagon-load rate. Further, when wagons found overloaded with coal are received on the Railways for despatch, the overload is adjusted wherever feasible and the Railway levy demurrage on wagons detained for adjustment at rates ranging from Rs. 8 to Rs. 104 per wagon as indicated below.

Where the number of overloaded wagons received from any colliery in any one calendar month exceeds 3 per cent of the total number of wagons received from that colliery in that month, a demurrage charge is levied, not exceeding :

- (i) Rs. 8 per wagon, where the proportion of overload wagons does not exceed 7 per cent,
- (ii) Rs. 16 per wagon, where the proportion of overloaded wagons does not exceed 10 per cent,
- (iii) Rs. 38 per wagon, where the proportion of overloaded wagons does not exceed 15 per cent,
- (iv) Rs. 52 per wagon, where the proportion of overloaded wagons does not exceed 20 per cent; and
- (v) Rs. 104 per wagon, where the proportion of overloaded wagons exceeds 20 per cent.

Adjustment of load of centre buffer coupler fitted wagons, from a rake is not possible in yards. If this has to be done, it will be necessary to remodel the yards on a large scale to provide the facilities required for adjustment of loads. Such a step will cast a heavy burden on the already strained Railway finances without offering commensurate advantages.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC|VII|103,
dated 5-3-1983]

CHAPTER V

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

Recommendation

2.2 Even after the implementation of 75 out of 97 recommendations pertaining to Railways and 77 out of 153 recommendations pertaining to steel plants and despite the assertion of the Railways that remedial action is taken in coordination with the steel plants/SAIL/Ministry of Steel whenever there is excessive detention to wagons inside steel plants, there has been no perceptible improvement as can be seen from the fact that in 1980-81 average detention per wagon in all the six steel plants was more than the liberal free time upto 48 hours, and even in 1981-82 (April—June) average detention per wagon was excessive. In TISCO, JISCO, Bhilai, Rourkela, Durgapur and Bokaro Steel Plants, it was 106.10 hours; 70.10 hrs., 89.20 hrs., 160.40 hrs., 78.30 hrs. and 168.20 hrs. respectively. The Committee would like the Ministry of Steel and Ministry of Railways to examine the matter expeditiously and find out the reasons with a view to reduce the detention to wagons inside the steel plants.

[Sl. No. 26 (Para 202) of 103rd Report of the PAC (1981-82) of
7th Lok Sabha]

Action taken

The Ministry of Railways have set up in April, 1982 an Expert Committee to go into the question of time taken by wagons in the Steel Plants premises keeping in view *inter alia* the need for optimal utilisation of different types of wagons.

This has been seen by Audit.

[Ministry of Railways O.M. No. 82-BC-PAC|VII|103, dated 12-3-1983]

NEW DELHI ;

9 April, 1984

20 Chaitra, 1906 (5)

SUNIL MAITRA

Chairman,

Public Accounts Committee.

PART II

MINUTES OF THE SIXTY-SEVENTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 28 MARCH 1984(AN)

The Committee sat from 1500 hrs. to 1900 hrs.

PRESENT

Shri Sunil Maitra—*Chairman*

Lok Sabha

MEMBERS

2. Shri Chitta Basu
3. Shri Bhiku Ram Jain
4. Shri Satyanarayan Jatiya
5. Shri Jamilur Rahman

Raya Sabha

6. Dr. Sankata Prasad
7. Shri Syed Rahmat Ali
8. Smt. Pratibha Singh
9. Dr. (Smt.) Sathiavani Muthu
10. Shri Nirmal Chatterjee

REPRESENTATIVES OF THE OFFICE OF THE C&AG

- | | |
|------------------------------|--|
| 1. Shri R.K. Chandrasekharan | <i>Adtl. Dy. C&AG of India
(Reports)</i> |
| 2. Shri S.R. Mukherjee | <i>Adtl. Dy. C&AG of India
(Reports)</i> |
| 3. Shri K.N. Row | <i>Director of Audit, Defence
Services.</i> |
| 4. Shri V. Sundaresan | <i>Director of Receipt Audit-I</i> |
| 5. Shri N. Sivasubramanian | <i>Director of Reciept Audit-II</i> |
| 6. Shri A N. Mukhopadhyay | <i>Jt. Director (Report-Central)</i> |
| 7. Shri K. H. Chhaya | <i>Jt. Director (Railways)</i> |
| 8. Shri S.K. Gupta | <i>Jt. Director (Receipt Audit)</i> |
| 9. Shri N.R. Rayalu | <i>Jt. Director of Audit, P&T</i> |

- | | |
|-----------------------------|---|
| 10. Shri Gopal Singh | <i>Jt. Director of Audit, P&T</i> |
| 11. Shri N. Balasubramaniam | <i>Jt. Director (Receipt Audit)</i> |
| 12. Shri R.S. Gupta | <i>Jt. Director of Audit, Defence
Services.</i> |

SECRETARIAT

- | | |
|-----------------------------|--|
| 1. Shri T.R. Krishnamachari | <i>Joint Secretary.</i> |
| 2. Shri H.S. Kohli | <i>Chief Financial Committee Officer</i> |
| 3. Shri K.K. Sharma | <i>Senior Financial Committee Officer.</i> |
| 4. Shri R.C. Anand | <i>Senior Financial Committee Officer</i> |

2. The Committee considered the following draft Reports and adopted the same with certain modifications/amendments as shown in Annexures indicated, against the respective reports:

*** *** *** ***

- (4) Action Taken on 103rd Report of PAC (7th Lok Sabha) relating to Wagon availability Annexure IV on the Railways.

*** *** *** ***

The Committee authorised the Chairman to finalise the Reports in the light of modifications/amendments suggested by Audit as a result of factual verification and present the same to the House.

The Committee then adjourned.

ANNEXURE IV

Amendments/modifications Made by the Public Accounts Committee in the Draft Report on Action taken on the Recommendations contained in 103rd Report (7th Lok Sabha) Relating to Wagon Availability on the Railways.

Page	Para	Line	Amendments/Modifications
1	2	3	4
2	1.4		<p><i>Substitute</i> the following in place of para 1.4 :</p> <p>“The Committee regret to observe that although a period of nearly two years has elapsed since the 103rd Report (7th Lok Sabha) was presented to the House, final action taken reply in respect of one of the recommendation—SI. No. 26—is still to be furnished by the Ministry. They desire that the final reply in respect of the aforesaid recommendation should be submitted to the Committee without further delay”.</p>
5-6	1.8	2nd from bottom	<p><i>For</i> “seeing the continuous..... ... (24 February 1984) affirmed”</p> <p><i>Substitute</i></p> <p>“From the Budget Speech (24-2-84) of the Railway Minister for the year 1984-85, the Committee note that with present allocation for the Annual Plan (1984-85), the Railways will be able to acquire only 12,000 wagons. In other words, the total number of wagons procured during the Sixth Plan period will be 69,476 as against</p>

1	2	3	4
			the requirement of 1.93 lakhs wagons and the Plan procurement target of one lakh wagons. Making allowance for 64,000 wagons for replacement of overaged wagons the net addition thus will be barely 5,476 wagons. From the explanatory memorandum on the Railway Budget (1984-85), it is seen that”
6	1.8	18-19	<p><i>For</i> “traffic would not be achieved by the Railways by the end of the Sixth Plan”</p> <p><i>Substitute</i> “traffic has been substantially sealed down”</p>
6	1.8	20	<p><i>For</i> “This is a cause of real concern”</p> <p><i>Substitute</i> “This is a cause of real concern. The Committee would like to know whether wagon availability is the only constraint in achieving the original target of 309 million tonnes in the terminal year of the Plan”.</p>
6	1.8	21-23	<p><i>For</i> “The Committee reiterate that the Railway Board should make a fresh proposal to Planning Commission to allocate them adequate funds”</p> <p><i>Substitute</i> “The Committee nevertheless reiterate that the Railway Board should again urge on Planning Commission the need to allocate adequate funds”</p>
7	1.8	1-4	<p><i>For</i> “freight traffic.....in the Plan”</p> <p><i>Substitute</i> “possible freight traffic”</p>

1	2	3	4
7	1.8	11-15	<p><i>For</i> 'The Committee feel at the same time that without any noteworthy addition to wagon fleet there could be improvement in the traffic carried primarily as a result of improvement in the turn-round time of wagons.'</p> <p><i>Substitute</i> "The Committee feel at the same time that even without significant addition to wagon fleet there could be improvement in the traffic carried by improving wagon turnround"</p>
27	1.23	7	<p><i>For</i> "0.7 million tonnes"</p> <p><i>Substitute</i> "0.7 million tonnes in 1982"</p>

APPENDIX

Statement of Recommendations/Observations

Sl. No.	Para No.	Ministry/Deptt. concerned	Recommendation/Observation
(1)	(2)	(3)	(4)
1.	1.4	Railway	The Committee regret to observe that although a period of nearly two years has elapsed since the 103rd Report (Seventh Lok Sabha) was presented to the House, final action taken reply in respect of one of the recommendations—S. No. 26—is still to be furnished by the Ministry. They desire that the final reply in respect of the aforesaid recommendation should be submitted to the Committee without further delay.
2	1.8	Railway	In the earlier Report, it had been mentioned that with an outlay of Rs. 5100 crores approved for the Railways by the Planning Commission, One lakh additional wagons were expected to be procured during the Sixth Plan, against a requirement of 1.93 lakh wagons. In their action taken reply, the Ministry have expressed an apprehension that on account of price escalation, it would not be possible to procure more than 78,000 wagons during the Sixth Plan period. With the procurement of 78,000 wagons altogether in the Sixth Plan and using 64,000 of them for replacement of overaged wagons, the Railways would be able, at best, to lift 285 million tonnes of originating traffic with an average lead of 710 km. against the target of 309 million tonnes provided for in the Sixth Plan. Even achievement of 285 million tonnes according to them would be possible only through improvements in wagon utilisation as achieved in the past two years, from

1045 Net Tonne Kilometre per wagon day in use to 1175 Net Tonne Kilometre. This is indeed a very depressing picture. The Committee are informed that the production of wagons during the first four years of the Sixth Plan would be approximately 57,406. From the Budget Speech (24-2-84) of the Railway Minister for the year 1984-85, the Committee note that with present allocation for the Annual Plan (1984-85), the Railways will be able to acquire only 12,000 wagons. In other words, the total number of wagons procured during the Sixth Plan period will be 69,476 as against the requirement of 1.93 lakhs Wagons and the Plan procurement target of one lakh wagons. Making allowance for 64,000 wagons for replacement of overaged wagons, the net addition thus will be barely 5,476 wagons. From the Explanatory Memorandum on the Railway Budget 1984-85, it is seen that a target of 245 million tonnes of freight traffic had been fixed for 1984-85. Thus, not to speak of original target of 309 million tonnes of revenue earning traffic, even the revised target of 285 million tonnes of freight traffic has been substantially scaled down. This is a cause of real concern. The Committee would like to know whether wagon availability is the only constraint in achieving the original target of 309 million tonnes in the terminal year of the Plan. The Committee nevertheless reiterate that the Railway Board should again urge on Planning Commission to allocate adequate funds to enable them to replace their overaged rolling stock and make requisite addition to the same so that Railways could achieve maximum possible freight traffic. In the meantime, the Ministry of Railways (Railway Board) should try to generate additional funds out of their own resources by efficient and concentrated utilisation of the existing assets and by cutting all wasteful expenditure etc. so as to procure more wagons. The Committee feel at the same

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time that even without significant addition to wagon fleet there could be improvement in the traffic carried by improving the wagon turn-round. It is also important to have healthy fleet of wagons with greater mobility which can be ensured by better maintenance by augmenting POH workshops and their capacity utilisation. The Committee expect the Railways to take necessary steps in this direction so as to meet the traffic requirements by the end of the Sixth Plan.

3

1.11

Railway

In their earlier Report, the Committee had observed that since overloading contributes to damage and consequent sickness to the wagons and possibilities of over-loading of wagons are more at the loading point, it is for the Railways to ensure that the wagons are not overloaded at any point and particularly at loading points. In their action taken reply, the Ministry have argued that the responsibility for loading wagons upto its permissible carrying capacity rests with the consignors. To enable the parties not to exceed the permissible carrying capacity while loading, load lines have been marked on the wagons for different minerals. With a view to discouraging overloading of wagons by the consignors, a new rule is stated to have been incorporated in the Goods Tariff w.e.f. 10-9-1981 which provides that in case the extent of overload detected at the loading point, en route or at destination exceeds one tonne over the permissible carrying capacity of the wagon, the entire overload should be charged at the 'smalls' rate, which is much higher than the wagon load rate. Further, when wagons found overloaded with coal are received on the Railways for despatch, the overload is adjusted wherever feasible and the Railways levy demurrage on wagons detained for adjustment at rates ranging from Rs. 8 to Rs. 104 per wagon.

The Committee are not satisfied with the above explanation. It is hardly necessary for them to re-stress that overloading of wagons adversely affects the life of axles and other components of wagons which are bound to result in the shortening of the life span of, already inadequate, wagons. Besides, the Railways have to incur substantial amount on repairs as is evident from the fact that as a result of overloading of coal wagons on Eastern Railway during 1976 to 1979, 33659 bearing springs of Box wagons were damaged and the Railway Administration had to incur expenditure of Rs. 64.63 lakhs on repair. Also, the repair capacity of workshops is limited. Therefore to maintain the fleet of wagons healthy and avoid their early sickness it is necessary that the wagons are not overloaded. To this end, the Committee would like the Ministry of Railways to reconsider whether some system could be evolved whereby it becomes possible for the Railway officials to check all loaded wagons before they come out of the important loading centres viz. collieries, steel plants, cement factories, food godowns, etc. so that only the wagons having load within permissibly carrying capacity are allowed to proceed to their destinations. The Committee would also like the Ministry to consider the feasibility of substantially increasing the charges for overloads so as to make them really deterrent.

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4 1.14 Railway

In their 11th Report (6th Lok Sabha) presented to the House on 16-11-1977, the Public Accounts Committee had recommended a comprehensive study of the major marshalling yards in the country with a view to streamlining their working. Noting that studies had been completed for 10 yards only, the Public Accounts Committee, 1981-82 in their 103rd Report (7th Lok Sabha) had recommended that the study of the remaining yards should be completed as early as possible. The Committee regret to observe that although a period of nearly two years has elapsed since the above

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Report was presented to the House, the Ministry of Railways have since completed studies of only three more yards. Considering that there are nearly one hundred major marshalling yards in the country, the Committee feel that the pace of study has not been satisfactory. The Committee, therefore, desire the Ministry of Railways to accelerate their pace of study so as to complete the studies in respect of the remaining yards at a very early date.

The Committee also note that out of 450 recommendations made in respect of 13 marshalling yards, 267 recommendations have been implemented and 183 are under implementation. The Committee would like the Ministry to complete the process of implementation of recommendations in respect of these yards at the earliest.

5

1.17

Railway

While commenting upon the process of detention of wagons in the yards of steel plants, the Public Accounts Committee had drawn attention to the Khandelwal Committee's Report (1973) wherein they had suggested a series of measures and works which were to be implemented both by the Railways and the steel plants for reducing the time of detention to wagons. The Committee had noted that while the Railways had implemented 75 out of the 97 recommendations relating to them, the steel plants had implemented only 77 of the 153 recommendations relating to the steel plants (32 of these recommendations were rejected). In their action taken reply, the Ministry have stated that the observations of the Committee are 'noted'. The Committee feel that mere 'noting' is not enough in this case. They

6 1.20 Railway
 Steel

would like to be informed of the precise progress made in the implementation of the remaining recommendations of the Khandelwal Committee both by the Railways and the steel plants.

The Committee note that the demurrage charges outstanding against the steel plants (Bhilai, Rourkela, Bokaro, IISCO, Durgapur and TISCO) upto the end of March 1982 amounted to Rs. 10.51 crores. Although there had been substantial improvement, the amount of outstandings, viz., Rs. 4.63 crores as at the end of June 1982 was still very large. The Committee are concerned to find that a major part of the outstandings—Rs. 2.99 crores was outstanding against only one steel plant viz., TISCO. The Committee desire that the Ministry of Railways (Railway Board) should take the matter at highest level with this steel plant with a view to effect early clearance of its outstandings.

The Committee desire that effective measures for early recovery of outstandings from other steel plants should also be taken. They would like to be apprised of the precise steps taken in this regard, together with their outcome.

The Committee also find that keeping in view the RTEC's recommendations and the suggestions of PAC in their 103rd Report, an Expert Committee consisting of representatives from the Railways, steel plants and Planning Commission has been appointed to go into the question of free time to be allowed to Steel Plants and the need for optimal utilisation of rolling stock. The Committee would like to be apprised to the findings of this Expert Committee and the action taken by the Ministry of Railways (Railway Board) in pursuance thereof.

(1)	(2)	(3)	(4)
7	1.23	Railway/ Deptt. of Agriculture and Co-operation/Chemicals & Fertilizers	<p>The Committee are informed by the Ministry of Railways (Railway Board) that the requirement for wagons for movement of fertilizers has gone down. The overall fertilizer traffic during the month from January, 1982 onwards has been much below the quota fixed. Against a monthly target of 0.8 million tonnes, the actual loading has been only 0.7 million tonnes in 1982. The Ministry of Railways (Railway Board) have further stated that the movement of fertilizers during the first six month of the year 1983 has been less as compared to the target to the extent of 0.6 million tonnes because of less offering. It has been contended by Railways that they are asking for more traffic but it is not being offered. The Committee note that the Ministry of Agriculture have admitted that the movement requirement for fertilizers was fully met by the Railways during 1981-82 and it was expected that in the year 1982-83 the requirement would be met fully. The Committee also note that a programme for rationalisation of movement of fertilizers by rail was being simultaneously pursued in order to bring down the lead of the fertilizer movement. On an average the lead in fertilizer movement in 1978-79 was 1038 kms., which increased to 1122 kms. in 1979-80, and then came down to 1086 kms. in 1980-81 to 1010 kms. in 1981-82 and 901 in 1982-83 (upto August, 1982). The Committee trust that the Ministry of Railways, in coordination with the Ministries of Agriculture and Chemicals & Fertilizers, would not only maintain the availability of required number of wagons for movement of fertilizers but also try to substantially reduce the lead in fertilizer movement so that maximum possible quantities of fertilizers can be moved by the Railways.</p>

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