

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

STARRED QUESTION NO:235
ANSWERED ON:16.12.2004
LOADING OF PETROLEUM AND LUBRICANTS
Angadi Shri Suresh Chanabasappa

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Railways supplied empty Tank Wagons to Indian Oil Corporation Refineries, which were totally unfit for transportation of petroleum and lubricants and were thus rejected by the IOC, as has been reported by CAG in its latest report;
- (b) if so, the details thereof;
- (c) the reasons for supplying unfit wagons to IOC; and
- (d) the losses suffered by the Railways due to rejection of these wagons by the IOC?

Answer

MINISTER OF RAILWAYS (SHRI LALU PRASAD)

(a) to (d): A statement is laid on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF STARRED QUESTION NO. 235 BY SHRI SURESH ANGADI TO BE ANSWERED IN LOK SABHA ON 16.12.2004 REGARDING LOADING OF PETROLEUM AND LUBRICANTS.

(a) No, Sir. Indian Railways supply fit tank wagons for loading of petroleum products. However, some of the wagons are rejected later on by Oil Companies at the time of their loading on technical reasons.

(b) CAG Report mentioned by the Hon'ble MP in part (a) of this question refers to supply of unfit empty tank wagons to M/s Indian Oil Corporation (IOC) refinery at Barauni. As per CAG report a total of 811.5 tank wagons (in terms of 4- wheelers), out of a total of 20,524 tank wagons supplied for loading (3.95%), were rejected by IOC siding during 2000-01 to 2002-03. However, as per Railway records, a total of 968 tank wagons (in terms of 4 wheelers) out of a total of 1,43,610 tank wagons supplied for loading, during the same period of 3 years, were rejected by M/s. IOC at this refinery. The rejection is merely 0.67% of the total wagons supplied. The difference in figures is on account of the fact that the CAG Report does not include all the wagons which were supplied for loading. All such rakes wherein there was no rejection have apparently not been included in the CAG Report.

(c) Tank Wagons are rendered unfit for loading on account of non-evacuation of the product completely from the tank wagons at the unloading points, an activity which is performed by Oil Industry and its customers. The residual product allows heavier distillates to settle at the bottom of tank wagons, which ultimately transforms into black/hard sludge over a period of time. However, the status of wagons developing deposits of black/hard sludge inside the shell cannot be ascertained beforehand and their loading worthiness can be confirmed only at the time of loading of petroleum products in tank wagons.

Tank wagons also get rejected on account of defective master valve, bottom discharge valve, and various other fittings. Such rejection, too, can be reduced further if all the fittings are properly put back in place after decantation of product from the tank wagons at the unloading points. Railway Administration carries out carriage and wagon examination of rakes at its yards prior to their supply for loading, at terminals. Wagons with missing or defective fittings are attended to wherever such defects are detected. Possibility of rejection of such wagons, therefore, gets minimized.

Thus the loading worthiness of all the tank wagons supplied for loading because of sludge or defective fittings cannot be ascertained beforehand as explained above.

(d) As per the CAG Report, Indian Railways have suffered a consequential loss of freight of Rs. 1.4 crores and a loss of Rs. 0.28 crores on account of empty haulage of rejected wagons thus totalling to a figure of Rs. 1.68 crores. The originating freight earnings to Indian Railways in the aforesaid period of three years (2000-01 to 2002-03) have been Rs. 2,26,03,40,244 (Rs. 226.03 crores). The loss of Rs. 1.68 crores as mentioned in CAG Report works out to be 0.74% only.

Indian Railways have a wagon holding of about 4.5 lakhs (four wheeler units). Out of this figure around 43,000 wagons (four wheeler units) are tank wagons. These tank wagons are utilized to cater to the Petroleum transportation demand received not only from M/s. Indian Oil Corporation but from other Oil Companies too. In the process of Petroleum, Oil and Lubricants (POL) operations of this magnitude, minor rejection of tank wagons is unavoidable. Hence the loss is only notional.