

# COMMITTEE ON PETITIONS

(FIFTH LOK SABHA)

## EIGHTH REPORT

**Representation regarding claims against the Railways  
on account of shortages in consignments of pig iron  
booked from Steel Plants.**

*(Presented on the 22nd December, 1972)*



**LOK SABHA SECRETARIAT  
NEW DELHI**

*December, 1972*  
*Pausa, 1894 (Saka)*

*Price Rs. 1.25*

# CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE ON PETITIONS . . . . .	(iii)
INTRODUCTION . . . . .	(v)
<b>REPORT</b>	
A. Petitioners' grievances and prayer . . . . .	1
B. Factual comments of the Ministry of Railways (Railway Board) . . . . .	3
C. Findings of the Committee . . . . .	4
I. Extent of shortages and claims paid by the Railways in respect of iron and steel, pig iron, etc. consignments . . . . .	4
(a) Western Railway . . . . .	4
(b) Central Railway . . . . .	7
(c) South-Eastern Railway . . . . .	10
II. Pig iron booked from the Bhilai and Rourkela Steel Plants . . . . .	10
(a) Bhilai Steel Plant . . . . .	10
(b) Rourkela Steel Plant . . . . .	11
III. Causes for shortages in consignments of pig iron . . . . .	11
IV. Transshipment at Viramgam . . . . .	12
V. Loading and reweighment of consignments . . . . .	14
(a) Loading and qualified Railway Receipts . . . . .	14
(b) Demand for reweighment . . . . .	18
(c) Instructions issued for re-weighment . . . . .	20
(d) Obligation of the Railways for reweighment . . . . .	21
VI. Steps taken to check shortages in consignments of pig iron . . . . .	22
(a) Western Railway . . . . .	22
(b) Central Railway . . . . .	24
(c) South-Eastern Railway . . . . .	24
VII. Disposal of claims and steps to simplify procedure for their settlement . . . . .	26
(a) Western Railway . . . . .	26
(b) Central Railway . . . . .	28
(c) South-Eastern Railway . . . . .	28
D. Conclusions/recommendations of the Committee . . . . .	28

(ii)

APPENDICES

	PAGE
I. Representation from Jamnagar Factory Owners' Association, Jamnagar . . . . .	33
II. Statement of reported shortages in consignments of pig iron, received by the South-Eastern Railway, during the years 1968 to 1972 . . . . .	42
III. Statement showing the total volume and value of pig iron despatched from the Bhilai Steel Plant to various States in the country . . . . .	43
IV. Circular issued by the Western Railway explaining the circumstances under which requests for reweighment of consignments may be acceded to . . . . .	45
V. Reference made by the Western Railway to the Additional Legal Adviser, Ministry of Law, Bombay, seeking advice on the question of obligation of Railways to reweigh consignments at the time of delivery to the consignees . . . . .	50
VI. Advice of the Additional Legal Adviser, Ministry of Law on the reference of the Western Railway on the question of obligation of Railways to reweigh consignments at the time of delivery to the consignees . . . . .	52
VII. List of trains and sections on the South-Eastern Railway which are vulnerable to pilferage . . . . .	53

COMPOSITION OF THE COMMITTEE ON PETITIONS  
(1972-73)

---

CHAIRMAN

Shri Anant Prasad Sharma

MEMBERS

2. Shri Ziaur Rahman Ansari
3. Shrimati Mukul Banerji
4. Shri Raghunandan Lal Bhatia
5. Shrimati Jyotsna Chanda
6. Shri Tridib Chaudhuri
7. Shri Monoranjan Hazra
8. Shri Dattajirao Kadam
9. Dr. Laxminarain Pandeya
10. Shri Paokai Haokip
11. Shri Anantrao Patil
12. Shri Devendra Satpathy
13. Shri Nawal Kishore Sharma
14. Shri Vijay Pal Singh
15. Shri K. Veeriah.

SECRETARIAT

Shri B. K. Mukherjee—*Deputy Secretary.*

Shri J. R. Kapur—*Under Secretary.*

## EIGHTH REPORT OF THE COMMITTEE ON PETITIONS (FIFTH LOK SABHA)

### INTRODUCTION

I, the Chairman of the Committee on Petitions, having been authorised by the Committee to present the Report on their behalf, present this Eighth Report of the Committee to the House, on the representation regarding claims against the Railways on account of shortages in consignments of pig iron booked from the Steel Plants to Jamnagar etc., and their re-weighment at the time of delivery to the consignees.

2. The Committee considered the matter at their sittings held on the 14th June, 11th August, 13th October and 20th December, 1972.

3. At their sitting held on the 14th June, 1972, the Committee decided to examine the matter in depth and to visit Ahmedabad and Bombay for an on-the-spot study of the problems regarding shortages in consignments of pig iron. Accordingly, the Committee visited Ahmedabad and Bombay from the 25th to 28th July, 1972, and discussed the matter with the petitioners and the Western and Central Railway authorities.

At their sitting held on the 11th August, 1972, the Committee decided to visit Rourkela and Bhilai to study the system of loading and despatch of pig iron consignments and the safety measures taken by the Railways and the Steel Plants authorities during loading of consignments and their carriage by the Railways. Accordingly, the Committee visited Rourkela and Bhilai from the 9th to 13th October, 1972 and discussed the matter with the South Eastern Railway authorities and the Rourkela and Bhilai Steel Plants authorities.

4. The Committee wish to express their thanks to the Ministry of Railways (Railway Board), Officers of the Western, Central and South-Eastern Railways and the Bhilai and Rourkela Steel Plants for furnishing to the Committee the material and information required by the Committee in connection with the examination of the subject.

5. The Committee considered their draft Report at their sitting held on the 20th December, 1972 and adopted it.

6. The conclusions|recommendations of the Committee on the matter have been included in the Report.

## REPORT

### A. Petitioners' grievances and prayer

1.1. The Jamnagar Factory Owners' Association, Jamnagar, had submitted a representation (See Appendix-I) regarding claims against the Railways on account of shortages in consignments of pig iron booked from Steel Plants to Jamnagar and their reweighment at the time of delivery to the consignees. The petitioners' Association had *inter alia* stated as follows:—

“We, the petitioners, the Jamnagar Factory Owners' Association, Jamnagar, whose legal rights have been jeopardised by the Western Railway authorities in the cases of claims of compensation in the Office of the General Manager and the Chief Commercial Superintendent of the Western Railway, submit this petition to your Honour for favour of justice and to restore the due amount to the petitioner Association by issuing necessary directives, through the Ministry of Railways, to the Western Railway Administration.

.... Under the existing arrangements by the Gujarat State Government, the pig iron quota booked from the Steel Plants under the directives of the Government of India is allotted to the Gujarat Small Scale Industries Corporation Ltd., for distribution to the small factory owners in the Gujarat State. The Gujarat Small Scale Industries Corporation Ltd.; have a number of distribution depots in the State of Gujarat but as far as the Jamnagar District is concerned, the work of distribution is entrusted to the Association of the petitioner. The petitioner Association consists of all the members of the factory owners in the Jamnagar District. This Association is formed solely for the purpose of doing service of helping the small scale industries on the basis of no profit no loss basis and the pig iron thus allotted to the Association is fairly distributed to the members according to the supply and demand.

.... The consignments of pig iron were booked to Jamnagar from the steel plants at Rourkela and Bhilai as per the arrangements in favour of the Gujarat Small Scales Industries Corporation Ltd. of Ahmedabad and according to the arrangement of the Gujarat Small Scale Industries

Corporation Ltd., with the petitioner Association, the Railway Receipts were endorsed in favour of the petitioner to distribute the pig iron to the factory owners as per the quota allotted. It is well known to the Railway authorities that out of hundreds of pig iron wagons booked from different steel plants which are accepted by the Railways for carriage to different destination are reaching the destination with heavy shortages. At the time of booking, all these wagons are weighed at the booking stations and the weighment has been witnessed by the Railway staff at the booking end. Under the terms of contract of carriage, and well settled principles of the judiciary it is obligatory on the Railways to deliver the consignments with the same weight as they were accepted at the booking end. On arrival of these consignments, referred to earlier, at the destination, the request was made to the Station Master, Jamnagar, and the Divisional Railway authorities at Rajkot in certain cases by letters and at times even by telegrams to give delivery on weighment but the railway administration turned down the request of the petitioner for giving delivery on reweighment. Eventually, the petitioners were forced to remove the consignments from the Railway premises after the payment of due charges to the Railways and these had to be weighed on private weigh-bridge in the presence of the *panchas* or in the presence of the representatives of the Nawanagar Chamber of Commerce, Jamnagar, who have issued the certificate certifying the weighment. There were heavy shortages in all the cases and hence your petitioners submitted their claims to the Western Railway under Section 78-B of the Indian Railways Act within the prescribed time limit which were turned down by the Western Railway Administration stating that the delivery of the consignments was taken under clear signature.

.. It is the policy of the Government of India to encourage the small industries whereas after going through this petition your Honour and the Members of the Committee would realise that the attitude of the Railways is negative and the Western Railway Administration has adopted the policy of depriving the trading public of their legitimate dues on some pretext or the other by using any technical means to save themselves from explaining the heavy payment of claims bills which have been going on increasing day by day.

- ....If the petitioner, being an association could not secure an interview with the General Manager of the Western Railway and in spite of a letter from the Member of Parliament, it is left to your Honour and the Members of the Committee to judge what sort of treatment an individual merchant/trader can get at the hands of the General Manager of the Zonal Railways.
- ....The Law Ministry in their opinion has clearly stated that the Railways are liable to compensate and in spite of this, these claims are not settled.
- ....The petitioner is sure that your Honour and the Members of the Committee would take necessary action for the sake of justice and equity and issue necessary process of the case as per the procedure of the Committee and issue necessary directives to restore the money to the petitioner, in the cases not settled by the Railways on the basis of the shortage certificate submitted in each claim issued by the imperial body of the Nawanagar Chamber of Commerce."

#### **B. Factual comments of the Ministry of Railways (Railway Board).**

1.2. The Ministry of Railways (Railway Board), to whom the representation was referred for furnishing factual comments on the various points raised therein, have in a written note furnished to the Committee stated as follows:—

"The cases of claims for compensation referred to by the Jamnagar Factory Owners' Association pertain to alleged shortages from Pig Iron consignments booked in open wagons from Bhilai Durgapur, Burn Co. and Rourkela, The consignments were loaded in open wagons by crane.

In all the cases, the Association had requested for delivery at destination after reweighment. According to Railway Rules reweighment at destination is not undertaken as a matter of course. Reweighments are permitted in exceptional cases only when the conditions of the consignments so warrant. In the cases referred to by the Association the requests for reweighment were considered by the competent authority but were not acceded to as the conditions did not warrant the admissibility of these requests. However, in some of the cases reweighment had been done *en route* at Viramgam and Sabarmati where the consignments had been transhipped and claims in these cases



were settled and paid to the extent of the value of the shortages noticed at the transshipment points, against the booked weight. This has also been admitted by the Association in their representation.

The Association removed all the consignments from the premises of destination station after taking delivery under clear signature thereby acquitting the Railway of all liability. They had, however, got the consignments subsequently weighed on private scales outside the Railway premises and based on the alleged shortages noticed after such weighments they preferred claims for compensation.... Railway Administration has not accepted claims for shortages which were recorded on private scales after taking delivery under clear receipts as there is no proof that shortage had taken place in rail transit."

### C. Finding of the Committee

#### I. Extent of shortages and claims paid by the Railways in respect of iron and steel, pig iron, etc., consignments.

1.3. The Committee desired to know the number of complaints, received by the Western Railway, the Central Railway and the South Eastern Railway, during the last three years, about shortages in consignments, particularly of pig iron and the claims paid by them on that account. The information furnished by the three Railway Administrations is dealt with in the following paragraphs.

##### (a) Western Railway

1.4. The Western Railway authorities have, in a written note furnished to the Committee, stated that separate statistics of complaints received by them on account of shortages in consignments of pig iron noticed at the time of delivery to the consignees are not maintained by them. However, the following figures have been given to indicate the total number of claims received, total number of claims paid and total amount paid by the Western Railway for shortages in consignments, for all commodities during the years 1969-70, 1970-71 and 1971-72:

Period	Total No. of claims received	Total No. of claims paid	Rs. Total Amount paid
1969-70 . . . . .	66,864	39,637	44,91,971
1970-71 . . . . .	58,213	35,392	44,28,038
1971-72 . . . . .	51,960	28,526	41,40,901

1.5. In reply to a question, the Western Railway have also informed the Committee that since no separate records are maintained by them to indicate the number of complaints/representations received in respect of shortages in consignments of different commodities, it is not possible for them to give the annual number of complaints/representations received regarding shortages in consignments of Pig Iron at the time of delivery. However, recently two representations were received by them, one, from the Jamnagar Factory Owners' Association and the other from Gujarat Small Industrial Corporation, Ahmedabad.

1.6. Similarly, no separate statistics are being maintained by the Western Railway in respect of claims received for shortages in consignments of Pig Iron, which, it is stated, falls under the main head of classification—"Iron and Steel".

1.7. The following figures indicate the number of claims paid and amount paid by the Western Railway in respect of Iron and Steel consignments during the years 1969-70, 1970-71 and 1971-72:—

Causes	1969-70		1970-71		1971-72	
	No. of claims paid	Amount	No. of claims paid	Amount	No. of claims paid	Amount
		Rs.		Rs.		Rs.
Complete shortages	430	3,73,140	436	3,57,026	495	3,70,371
Partial shortages including pilferages	761	3,10,993	726	3,53,349	812	4,03,646
Damage by wet	8	1,732	1	81	6	2,818
Breakage	40	21,386	42	7,569	38	10,201
Other causes	4	2,212	14	54,103	35	62,351
<b>TOTAL</b>	<b>1243</b>	<b>7,09,463</b>	<b>1219</b>	<b>7,72,128</b>	<b>1386</b>	<b>8,49,387</b>

1.8. The following table furnished to the Committee by the Western Railway authorities also sums up the extent of the problem of short-weight in consignments of perishable and non-perishable goods, due to partial shortage/pilferage during the last three

years, in terms of the payments made by the Western Railway, and the percentage that these payments form to the total amount of claims paid:

Year	Perishables		% to total amount of claims bill	Non-Perishables		% to total amount of claims bill
	No. of claims	Amount paid		No. of cases	Amount paid	
1969-70	8863	[2,26,330	1.7%	30,774	42,65,641	32.3%
1970-71	7699	[2,08,035	1.3%	27,693	42,20,003	29.7%
1971-72	6437	2,06,559	1.4%	22,089	39,34,342	28.6%

It has been added that partial shortage/pilferage accounts for nearly 1/3rd of the total amount of compensation paid by the Western Railway.

1.9. The Committee desired to know the number of cases of pilferage on the Western Railway during the last three years. In a written note furnished to the Committee, the Western Railway have stated that the number of registered pilferages, i.e., those registered by the RPF, are relatively very small. However, the number of cases of pilferages on the basis of claims paid during the last three years and their percentage to the total amount of claims paid is given as under:—

Year	Partial shortages/pilferages		Percentage to total amount paid
	No. of cases	Amount paid	
1969-70	39,637	44,91,971	34%
1970-71	35,392	44,28,038	31%
1971-72	28,526	41,40,901	30%

In regard to the value of the claims preferred by the various parties during the last three years, the Western Railway have stated that figures of claims preferred partywise are not maintained.

However, the value of claims preferred for all causes during 1969-70, 1970-71 and 1971-72 is as under:—

Year	No. of claims preferred	Value amount preferred
1969-70	93,432	Rs. 4,60,94,667
1970-71	87,424	Rs. 4,18,37,036
1971-72	81,700	Rs. 4,31,33,770

In so far as the extent of compensation paid to these parties is concerned, the Western Railway have intimated to the Committee that the total number and amount of compensation paid during 1969-70, 1970-71 and 1971-72 on Western Railway is as given below:

Year	No. of Cases	Total amount paid
1969-70	70,687	Rs. 1,30,21,624
1970-71	66,476	Rs. 1,42,77,706
1971-72	61,455	Rs. 1,40,45,714

#### (b) Central Railway

1.10. The Central Railway have also intimated to the Committee that they do not maintain statistics of claims against them on a cause-wise basis and, therefore, they do not have the figures of number of claims against the Central Railway on account of shortages in consignments of pig iron noticed at the destination stations.

1.11. In regard to claims on account of shortages in consignments of pig iron, the Central Railway have informed the Committee that in the Claims Statistics maintained by them, the pig iron is not included as one of the commodities separately. It falls under the main commodity heading 'Iron and Steel (From Plants)'. Although separate figures in respect of pig iron consignments are not available for the Central Railway as a whole, figures in respect of Wadi Bunder and Byculla which are the important receiving

stations in Bombay area, have been collected for three years and are given below:—

		1969-70	1970-71	1971-72
(i) No. of wagons of pig iron received (in terms of 4-wheelers)	Wadi Bandar	101	15	38
	Byculla .	270	79	137
	TOTAL	371	94	175
(ii) No. of wagons of pig iron from which shortages were found (in terms of 4-wheelers)	Wadi Bandar .	1	..	..
	Byculla .	15	9	6
	TOTAL	16	9	6
(iii) Total weight of pig iron found short (in tonnes)	Wadi Bandar .	1.7	..	..
	Byculla .	157.3	47.0	18.0
	TOTAL	159.0	47.0	18.0

1.12. It has been added that out of 175 wagons of pig iron received in 1971-72 at Wadi Bandar and Byculla, only in 6 wagons, shortages were found and the total weight of pig iron found short was only 18 tonnes, which is less than 1 per cent. The size of the problem so far as the Central Railway is concerned, it is stated, is small.

1.13. In regard to the number of claims received and payments made by the Central Railway during the last three years, the following information collected in respect of traffic received at Wadi Bandar and Byculla has been given to the Committee:

		1969-70	1970-71	1971-72
(i) No. of Claims for shortages of pig iron received in respect of Wadi Bandar and Byculla	Wadi Bandar .	9	..	..
	Byculla .	34	24	7
	TOTAL	43	24	7
(ii) No. of claims paid .	Wadi Bandar .	6	..	..
	Byculla .	32	19	7
	TOTAL	38	19	7
(iii) Amount paid .	Wadi Bandar	Rs. 11,134	Rs. ..	Rs. ..
	Byculla	70,394	39,894	12,531
	TOTAL	81,528	39,894	12,531

1.14. In regard to pilferage, the following tables has been furnished by the Central Railway showing the number of claims paid and the amount so paid during the last three years:

Year	No. of claims paid for pilferage	Amount paid
		Rs.
1969-70	31,845	47·69 lakhs
1970-71	30,026	55·28 lakhs
1971-72	23,489	46·99 lakhs

1.15. The following table indicates the total number of claims received and the approximate value of these claims, as preferred, on the Central Railway:—

Year	Total No. of claims received	Approximate value of claims as preferred
		Rs.
1969-70	85,400	533·78 lakhs
1970-71	84,876	561·94 lakhs
1971-72	86,213	568·04 lakhs

1.16. In regard to the extent of compensation paid on account of pilferage, the following figures have been furnished by the Central Railway to indicate the total number of claims paid and the amount paid:

Year	Total No. of claims paid	Total amount paid
		Rs.
1969-70	60,720	131·62 lakhs
1970-71	56,419	140·15 lakhs
1971-72	46,192	122·66 lakhs

1.17. It has been added that the total value of claims preferred is much higher as compared to the amount paid, since in a large number of cases of wagon load consignments parties prefer their claims rather prematurely and these are withdrawn subsequently when the wagons are received at destination and the goods are received by the consignees.

(c) *South Eastern Railway*

1.18. The South-Eastern Railway have intimated to the Committee that they have not received any serious complaints about shortages in consignments of pig iron. They have furnished a statement of reported shortages in consignments of pig iron from destination Railways during the years 1968 to 1972, which is appended to this Report (Appendix-II).

II. *Pig iron booked from the Bhilai and Rourkela Steel Plants*

(a) *Bhilai Steel Plant*

1.19. The Bhilai Steel Plant authorities have furnished to the Committee a detailed statement (Appendix-III)\* showing the total volume and value of pig iron despatched from the Bhilai Steel Plant to various States in the country, which is summed up below:—

Year	Home Sales Despatches	
	Tonnes	Value in crores of Rs.
1969-70	3,49,840	13.8
1970-71	2,57,384	11.2
1971-72	2,54,022	11.5

1.20. In regard to claims of shortages in consignments of pig iron booked from the Steel Plant, the Bhilai Steel Plant have informed the Committee that during last three years they have not received any claims of shortages through H.S.L. Central Sales Organisation. They are getting letters only from the parties directly or through Sales Organisation on quantity complaints. The parties are lodging their claims on the Railways only.

1.21. They have also intimated to the Committee the following cases of shortage complaints received (by the Central Sales Organisation/Bhilai Steel Plant) along with their value pertaining to despatches from the Bhilai Steel Plant:—

Year	No. of complaints received	Tonnage involved	Value
		M/T	Rs. P.
1969	16	158.605	72,991.48
1970	16	93.067	42,506.16
1971	15	86.272	40,363.65

1.22. It has been added that "one of the terms and conditions for sale from HSL envisages that the shortage detected, if any, at destination should be referred to Railways for lodging the claim, since despatches are made from the plant after the Railways' representative witnessing the weighment at the time of despatch from the Plant."

1.23. The Committee note from the recent Report of the Special Study on claims in Iron and Steel traffic, made by the Western Railway that most of the traffic booked from the Bhilai Steel Plant for Western Railway is of pig iron on which maximum number of claims are paid.

(b) *Rourkela Steel Plant*

1.24. In a written note furnished to the Committee, the Rourkela Steel Plant authorities have intimated the following figures of the total volume and value of pig iron despatched from the Rourkela Steel Plant since 1969:—

Year	Total despatches in (in Ton- nes)	Value in Rupees (In Cro- res)
1969-70	109,513	3.56
1970-71	92,444*	3.26
1971-72	105,684	4.06
1972-73		
April-Sept. '72 }	24,143	0.98

\*During 1970-71 only 231 tonnes of pig iron were despatched to Jamnagar.

1.25. It has been added that the Rourkela Steel Plant authorities have not received any claims on account of shortages in consignments of pig iron during the last three years.

III. *Causes for shortages in consignments of pig iron*

1.26. In a written note furnished to the Committee by the South Eastern Railway, it has been stated:—

"There are various possible causes which could lead to shortages in consignments of pig iron booked from the Steel Plants. Some of the important ones are listed below:—

- (i) The genesis of the reported shortages in pig iron consignments could be traced to the socio-economic milieu which puts a premium on the scarcity value of the commodity making it worthwhile for some segments of



the society to indulge in activities connected with the eventual shortages.

- (ii) The general law and order situation which leaves much to be desired, especially over a certain portions, renders it possible to interfere with the wagons without much risk of detection.
- (iii) The easy flow of stolen pig iron through market channels makes it possible to conduct these criminal activities in more or less organised manner.
- (iv) The loading of pig iron in open wagons, on a piecemeal basis which makes sustained watch difficult, further conduces to victimisation and pilferage.
- (v) At transshipment points and over long hauls, the possibility of interference and the temptation to pilfer at various stages of movement could also contribute to shortages."

1.27. In response to a question, the South Eastern Railway have further stated:—

"There is a wide-spread belief that undesirable and anti-social elements whose main business is wagon breaking maintain direct contacts with certain business people who purchase stolen goods and finance these hirelings. Such areas are adjoining the Railway tracks in industrial sidings, Steel Plants or even elsewhere in concentration of 'bustees' etc. It is not, however, necessarily correct to say that maximum number of thefts and pilferages take place in the industrial belts. Thefts and pilferages are also reported from non-industrial areas where there is road-link on railway track."

#### IV. Transshipment at Viramgam

1.28. In the recent Report of Special Study on Claims in Iron and Steel of the Western Railway, it has been *inter alia* stated that:—

"Most of the pig iron traffic booked from Bhilai and other Steel Plants meant for stations in Saurashtra area is transhipped at Viramgam. Covered metre gauge stock is used for transshipment even when consignments are received in broad gauge open wagons. After transshipment, the metre gauge wagons are weighed and the weight recorded on wagon labels and also advised to destination

stations. Weighment is done under instructions issued from the Headquarters Office vide letter No. C.62/14/2/3/ Vol. II dated 6-6-1964 according to which consignments of iron and steel should either be counted or weighed. These instructions appear to have been issued arising out of a claims case so that the extent of shortage at the transshipment point could be determined for the purpose of payment of claims and also for fixation of inter-railway liability. These instructions are, however, being followed at Viramgam only and at no other point although these were issued to all Divisions.

The consequences of weighment at Viramgam are that firstly detention to wagons is taking place. Secondly, in most cases the weight recorded at Viramgam is less than the Railway Receipt weight and this leads to claims at destination stations. For example, at Lakhajinagar, where most of the consignments of pig iron are received, even petty claims are preferred and settled on the basis of weight advised by Viramgam which is also recorded in the Delivery Book. Thus the practice of weighment of wagons at Viramgam is proving detrimental to the Railways.

It was also observed at Viramgam that in some cases where contents of one broad gauge wagon are transhipped into two or three metre gauge wagons the metre gauge wagons are not despatched to destinations in one lot by same train but are despatched on different dates and by different trains. This results in piece-meal arrival of consignments at destinations and leads to unnecessary requests for re-weighment. Such piece-meal despatches must be avoided.

During the course of investigations, instances have come to notice that many wagons containing iron and steel consignments requiring use of crane transshipment were received at Viramgam and sent to Sabarmati for transshipment of want of crane facilities at Viramgam. For example wagon No. SE 46303 KC Ex. Tatanagar to Lakhajinagar containing heavy iron consignments arrived Viramgam on 9-10-71. It was sent to Sabarmati on 15-10-71 i.e., after a detention of 6 days.

As there are no arrangements for dealing with crane consignments at Viramgam, all steel booking stations should be advised that wagons containing iron and steel consignments requiring the use of crane and booked for destina-

tion *via* Viramgam should be routed *via* Sabarmati where such consignments are dealt with. Suitable indication should be given on the wagon labels for the guidance of Yard staff. The Yard staff at RTM, BRC and KKF should be suitably instructed to see the wagon labels and ensure that such wagons are sent to Sabarmati and not Viramgam."

### V. Loading and re-weighment of consignments

#### (a) Loading and qualified Railway Receipts

1.29. The Committee enquired how far it was correct to say that the Railway authorities avoid payment of compensation arising out of shortages in consignments which occur during transit by the Railways by taking shelter under the qualified certificate given on the Railway Receipts, like "said to contain", "Weighing not witnessed", etc. In a written note furnished to the Committee by the Western Railway, it has been stated that:—

"When consignments are booked from a siding where the Goods Clerk is not provided, or from the Railway Stations where facilities for weighment of wagons are not available the Railway Receipts are issued on the basis of the number of packages/weight declared by the sender. In such cases, Railway Receipts with the remarks 'said to contain', 'Senders' weight accepted are issued and an intermediate junction is advised to weigh the wagon and advise weight of the consignments to booking and destination stations. When on weighment *en route* or at the time of transshipment correct weight is ascertained, that weight is treated to be the actual weight booked for purpose of charging freight and delivery. This may be illustrated by the following examples:—

- (i) A consignment of sugar is booked from Sugar Factory siding where no Goods Clerk is provided to supervise the loading. The consignment is loaded by the factory people and sealed in the factory siding before the Railway Receipt is issued. In this case the Railway Receipt is issued for the number of bags declared by the senders to have been loaded in the wagon in the forwarding note and a "said to contain" remark is passed on the Railway Receipt. If at the time of transshipment a shortage in the number of bags is noticed from the wagon received with the original seals and rivets intact, the Railways are not liable for this shortage and

such claims are repudiated on the plea that it was a case of short loading by the sender. If, however, a further shortage occurs between the transshipment point and the destination, the Railway accepts the liability for the same and the claims are readily entertained.

- (ii) A consignment of iron scrap is booked from private siding and its weight is not witnessed by the Railway staff. Therefore, "Sender's weight accepted" Railway Receipt is issued on the basis of the weight declared by the consignor in the forwarding note and intermediate junction station is advised to weigh the consignment *en route*. If on weighment the weight of the contents is found to be less than what the consignor had declared, the Railway is not liable for the difference between the weight declared and the weight actually found at the point of weighment and the claims for the same are repudiated on the plea that it was not loaded as declared. The claims for further shortage beyond that point of weighment are entertained and payments made."

1.30. In regard to the qualified Railway Receipts, the Central Railway have intimated to the Committee that:—

"It would not be correct to say that all claims are repudiated by the Railways taking shelter on the remarks like 'said to contain', 'weighing not witnessed' etc. The cases in fact examined on individual merits taking into consideration a number of factors. In case of covered wagons received at destination with seals intact, for example, where the actual number of cases loaded has not been counted by the Railway staff and the Railway Receipt is issued as 'said to contain', Railways cannot be expected to accept liability for shortages found at the destination station from out of the seals intact wagon. In these cases, however, where the number of packages/cases is 'said to contain' but weighment has been witnessed by the Railway staff at the sender's end and the shortage in weight is established by reweighment at destination such claims are normally paid on the basis of shortage in weight. In those cases, however, where weighment has also not been witnessed by the Railway staff and shortage is pointed out either from the seal intact wagon or else even from open wagon, the Railways are not in a position to accept liability since the Railway does not know the quantum of goods loaded from the originating station."

1.31. In this connection, the South Eastern Railway have informed the Committee that:—

“Pig iron is weighed in the presence of Railway staff. Railway Receipts are generally issued specifying the weight recorded on the weighbridge. At the time of loading, Railway staff are present only where tally clerks have been employed for the purpose. So far as weighment is concerned the same is witnessed by the Railway staff. It may be mentioned that for pig iron consignments, tally clerks have not been provided to watch loading.”

1.32. The Committee enquired how it is ensured that the Railway wagons contain the correct weight of pig iron as is indicated in the appropriate form etc., of the consignors. The South-Eastern Railway have informed the Committee that:—

“The procedure followed in the Steel Plants is that the Forwarding Note is completed after the weighment is done. This ensures that the weight of pig iron as recorded on the weighbridge is reflected in the Forwarding Note. After recording the weight in the Forwarding Note tendered by the consignors (Steel Plants) the same is sent to the Central Freight Office for invoicing.”

1.33. In regard to the point of time when the Railway Receipt is issued for the pig iron booked on the Railways from the Steel Plants, the South-Eastern Railway have stated that:—

“On receipt of the Forwarding Note in the Central Freight Office the Railway Receipt is issued after completion of usual formalities. Depending on the time lag between receipt of the particulars in the Central Freight Office from the weighbridge the Railway Receipts are issued either on the same day or on the following day.”

1.34. Asked to comment on the suggestion that wagon load despatches from Steel Plants should be marshalled into full train loads at the first possible opportunity, the South-Eastern Railway have informed the Committee that:—

“They endorse the view that rake loading of consignments is preferable and wagon-load despatches should be marshalled into full train-loads at the first possible opportunity. To a considerable extent this is being done and to the extent that the Steel Plants can organise destination-wise loading the Railways would help in rake despatches. This will have attendant benefit of quick transit and escorting.”

1.35. The Committee also enquired whether the trains carrying the loaded pig iron and steel wagons are exclusively composed of consignments loaded from the Steel Plants or other wagons loaded with other commodities are also attached to those trains during their journey. The South Eastern Railway have stated that:—

“In case of piecemeal loading of pig iron wagons the possibility of completion of loads from intermediate stations cannot be avoided.”

1.36. The Committee enquired about the relative responsibility of the authorities of the Steel Plants, the Railways and the consignees regarding loading, correct weighing and safe carriage of consignments during transit. The South Eastern Railway have intimated to the Committee that the respective responsibilities are as under:—

- “(i) The Steel Plants are responsible for loading, correct weighment (including the accuracy and maintenance of the weighbridge under their control) and safe carriage of consignments within their jurisdiction till handed over to the Railway at the Exchange Yard.
- (ii) Railways witness the weighment inside the Steel Plant and are responsible for safe carriage of consignments during transit in accordance with Common Carriers' Liability after taking over at the Exchange Yard till arrival/delivery at destination.
- (iii) Consignees' responsibility is primarily at the delivery point. Also the agreement between the consignor and consignee, such as it may be, is a matter for mutual settlement by them.”

1.37. In regard to the stage or point of time at which the responsibility of Steel Plant authorities ceases, the South Eastern Railway have stated that:—

“The responsibility of the Steel Plant normally ceases at the point of interchange after the Railways take over the consignments. However, the implicit liability of the Steel Plant during various operations within their premises continues to remain.”

1.38. The Committee enquired how far it was correct to say that since the consignments of pig iron were carried in open wagons by slow moving trains from the Steel Plants, there was much scope for pilferage, thefts etc. The South Eastern Railway have informed the Committee that:—

"Loading of pig iron in open wagons makes them susceptible to thefts and pilferage. On the South Eastern Railway, the movement from the steel Plants is carefully watched. Electric, diesel and steam traction is used for haulage of goods trains. .... There are hardly any slow moving trains from the Steel Plants on this Railway."

1.39. The Committee also enquired whether it was feasible to load and transport the pig iron in closed wagons and whether any such proposal had been examined in the past. The South Eastern Railway have stated that:—

"Utilisation of covered wagons for loading and transport of pig iron has been receiving attention of the Steel Plants and the Railways. The South Eastern Railway would prefer loading of pig iron in covered wagons, subject to general availability of such wagons from the inward releases. There are, however, certain constraints in the Steel Plants, like mechanical loading and adjustment, etc."

1.40. During their on-the-spot visits to Rourkela and Bhilai Steel Plant loading sites, the Committee observed that loading of pig iron in wagons was manually handled. At Rourkela, the adjustment of weights was, however, done with the help of the cranes. The Committee also found that mostly open wagons were used for loading and carriage of pig iron consignments. During discussions, the General Manager of the Bhilai Steel Plant, from where bulk of pig iron is supplied, stated that in order to speed up loading, they were planning to resort to loading by overhead magnetic cranes instead of manual loading. That could not be done in closed wagons. It was, therefore, necessary to use only open wagons.

(b) *Demand for re-weighment*

1.41. The Committee enquired about the annual number of cases in which demands for reweighment of consignments were accepted during the last three years. The Western Railway authorities have informed the Committee that:—

"Requests for delivery of pig iron consignments on reweighment are mostly received at stations—Lakhajinagar, Jam-

nagar, Asarva and Kankaria, and the position in respect of these stations is as under:—

			No. of requests received	No. of requests	
				Allowed	Disallowed
LJNR	1969		2	NIL	2
	1970		75	20	55
	1971		27	22	5
	1972		6	6	..
JAM	1969		12	NIL	12
	1970		6*	3	1
	1971		1	NIL	NIL
	1972		NIL	NIL	NIL
ASV	1969		27	22	5
	1970		45	36	9
	1971		16	12	4
	1972		3	2	1
KKP	1969		3	3	NIL
	1970		5	5	NIL
	1971		6	6	NIL
	1972		2	2	NIL

[\*In two cases, goods were removed by the party before receipt of orders from DCS. N.B. The figures for 1972 are upto the end of June, 1972.]

Pig iron consignments which move via Viramgam are now generally weighed on the weigh-bridge at Viramgam after the contents are transhipped in the MG wagons.

During the months of April, May and June, 1972, the following No. of MG wagons were reweighed at VG:—

		No. of MG wagons in which contents were transhipped	No. of MG Wgs. weighed	Percentage of wagons weighed
For LJNR—April '72		67	43	64%
May '72		36	36	100%
June '72		4.5	4.5	100%
For JAM April '72		3	2	66.6%
May '72		3	3	100%
June '72		NIL	NIL	NIL"



1.42. The Central Railway have informed the Committee that during 1971-72, re-weighment was asked for in respect of six cases at Byeulla (for which figures had been collected) and the same was conceded in all the cases.

(c) *Instructions issued for re-weighment.*

1.43. In response to a question, the Western Railway have furnished to the Committee a copy of their circular letter No. C.611/2, dated the 22nd September, 1962, (Appendix IV) issued by them to the Divisional Commercial Superintendents, explaining the circumstances under which requests for re-weighment of consignments may be acceded to. In these instructions, it has been stated *inter alia* as follows:—

*"Iron or Steel consignments:*

- (i) Request for re-weighment at destination station for iron or steel structurals such as angles, bars, channels, poles, rods, stay rods, ties, billets (not exceeding 63.5 mm square), flat iron joists, rails (not heavier than 11.905 kg per metre), shafts, sleepers, squares, tubings etc., may as far as possible be agreed to, provided the consignment is packed in accordance with the packing condition P/37 now prescribed for this commodity and outward condition of the consignment indicates that the lead seals have been tampered with and the contents of the open wagons have been disturbed.
  - (ii) In regard to re-weighment of iron and steel structurals referred to above, subject to transshipment *en route*, if p/37 packing condition is complied with request for re-weighment at destination station may be agreed to as far as possible when such wagons reach destination with lead seals broken and contents of wagons disturbed.
- (Note: In such cases, if desired by consignee, a shortage certificate may also be issued as usual without prejudice indicating both the re-weighment and the number and nature of articles delivered).
- (iii) However, before accepting the request in such cases, the staff should ensure that the Railway Receipt bears the remark regarding compliance of p/37 condition as well as actual weight on the goods by the Railway at the time of booking or at *en route* weigh-bridge station. In cases where sender's weight has been accepted and also in cases where

p/37 condition applicable is not complied with at the time of booking, re-weight should not be permitted.

- (iv) In regard to iron and steel consignments for which packing condition p/37 does not apply, request for re-weighment at destination should not be considered as a rule.
- (v) In case of wagons containing iron and steel structurals but booked under the remarks 'Sender's weight accepted' and marked for weighment *en route* or at destination, the weight found on weighment at intermediate weigh-bridge or at the destination weigh-bridge as the case may be advised to the consignee making it clear that the weight has been ascertained for the purpose of computing freight charges provided a written request for the same is made.
- (vi) In case of iron and steel consignments originally consigned in BG wagons and transhipped into several MG wagons and when all these MG wagons do not arrive destination simultaneously, the delivery of the part consignment should be effected without weighment. However, in any specific case of difficulty, the local officer should dispose of the request at his discretion."

(b) *Obligation of the Railways for re-weighment*

1.44. The Committee enquired about the obligation of the Railways to reweigh the consignments at the time of delivery to the consignees. In a written note furnished to the Committee, the Western Railway have stated that:—

"A reference was made to the Additional Legal Adviser, Ministry of Law, Bombay, seeking his advice on the following two points:—

- (i) Whether the Railway Administration was bound to accept the re-weighment done on the public weighbridge in the presence of the representatives of the Navanagar Chamber of Commerce particularly when the Divisional Commercial Superintendent had refused to reweigh the wagons and after the party had taken the delivery of the consignment under clear receipt. Will the claimants succeed in the court of Law in establishing the loss sustained by them based on the reweighment recorded on the private weighbridge which was not supervised by the Railway staff?
- (ii) Whether as per Contract Act, the Railway was obliged to give delivery of the wagon load consignments on re-weighment?"

A copy of the reference made to the Additional Legal Adviser and his advice thereon are given in Appendices V and VI.

1.45. The Western Railway have added that:—

“A perusal of the reply given by the Additional Legal Adviser shows that he has not given comments specifically on the question of obligation of the Railways to reweigh the consignments at the time of delivery to the consignee. He has stated that the Railway administration was under an obligation to deliver the goods entrusted to it carriage and whether this was done or not would be a question of fact. He has further stated that as per Railway rules, it may not be possible to effect re-weighment in all cases and whether the goods consigned were delivered or not was a matter of fact.”

#### VI. Steps taken to check shortages in consignments of pig iron

##### (a) Western Railway

1.46. The Committee enquired about the steps taken during the last three years to keep in check occurrence of shortages in consignments of pig iron. In a written note furnished to the Committee, the Western Railway have stated that:—

“Pig Iron Consignments booked in open wagons from Bhilai, Durgapur and Burnpur Steel Plants are generally received on Rajkot Division of the Western Railway especially at Lakhajinagar and Jamnagar. These consignments undergo transshipment at Viramgam. The following steps have been taken by the Railway during the last three years to keep in check occurrence of shortages in pig iron consignments:—

- (i) The consignments are transhipped at Viramgam into covered wagons except when for operational reasons covered stock cannot be supplied.
- (ii) To check the occurrence of shortages beyond Viramgam, the pig iron consignments after transshipping into MG covered wagons, are weighed and the weighment is recorded in a special register. Weighment after transshipment cannot be done only when the weigh-bridge is temporarily out of order.
- (iii) Certain spots vulnerable to pilferages of pig iron such as Idgah Railway Crossing, Ahmedabad, Maninagar Outer Signal and Viramgam BG-MG Yard have been identified and security arrangements tightened up by posting Railway Protection Force personnel.

- (iv) On vulnerable sections such as Agra-Bayana, Ratlam-Godhra, Godhra-Anand, Vadodara-Ahmedabad, etc., goods trains are escorted during the night by RPF personnel. In case of out-break of serious crime on a particular section, escorting is done by Armed RPF personnel.

Various steps have been taken by this Railway, to identify areas|points where pilferage etc., takes place which presumably leads to shortages in consignments of Pig Iron. These steps are as follows:—

- (i) A study of claims on Iron and Steel Consignments was conducted to identify areas|points where pilferage, etc., took place. It was found that petty pilferages took place all along the route especially in the industrial area over which Iron and Steel Consignments move. The more vulnerable points identified are as under:—
  - (a) Exchange Yards at Steel Plants.
  - (b) Durgapur Asansol Section on Eastern Railway.
  - (c) Akola-Bhusaval Section on Central Railway.
  - (d) Baroda-Anand Section and Asarva Yard on Western Railway.
  - (e) Jaipur area.

Since the major vulnerable area Western Railway is in Baroda Division, Security Officer|Baroda, has taken special steps to tighten-up patrolling on the Baroda-Asarva Section and at Asarva Yard. Plain clothed personnel and CIB staff have been deputed to apprehend and round up criminals in these areas. At Viramgam as well as Sabarmati transshipment points, security arrangements have been tightened up.”

1.47. During their on-the-spot visits of Viramgam and Sabarmati transshipment points, the Committee examined the procedure of transshipment of pig iron consignments, their weighments, the working of the weigh-bridges, the average time taken for transshipment, sealing of wagons and other safety measures being taken to prevent pilferages and the security measures in the Railway yards. The Committee were informed by the Western Railway officers that only closed wagons were used for transshipment of pig iron consignments and after transshipments, all loaded wagons were weighed before they left the yards except when the weigh-bridge remains out of order.

(b) *Central Railway*

1.48. In regard to the steps taken to keep in check occurrence of shortages in consignments of pig iron, the Central Railway have intimated to the Committee that:—

“The size of the problem so far as the Central Railway is concerned is small. Shortages in pig iron consignments can be minimised if pig iron is loaded in covered wagons, but the Steel Plants are having objection because the loading is done by them with the use of overhead cranes. As an alternative, they should load pig iron in block rakes, so that it is possible to escort such trains right through to destination. Eastern and South Eastern Railways have been requested to arrange for block rake loading not only for pig iron but for all iron and steel consignments loaded in Steel Plants.”

(c) *South-Eastern Railway*

1.49. The South-East Railway have stated:—

“Several curative and preventive steps have been taken during the last three years to keep in check occurrence of claims in general on account of shortages in consignments. The Ministry of Railways are seized of the importance of the matter and had appointed an ‘One-Man Expert Committee’ to go into the various aspects of prevention, settlement, and litigation of claims cases. On acceptance of the recommendations by the Railway Board the same have been implemented by the Railways.

Arising out of the recommendations, the Railways have strengthened the Claims Prevention Organisation and are in the process of further streamlining and strengthening it.

Among the important steps taken by this Railway same are listed below:—

- (i) Precautions at the loading points, including packing labelling, marking, scrutiny and documentation of consignments.
- (ii) Greater attention to fitness of wagons with reference to nature of the commodities.
- (iii) Check on criminal interference in yards by better security arrangements. These include patrolling, and escorting of trains.

- (iv) Sensitive commodities, including iron and steel are specially watched. Movement in block rakes is preferred.
- (v) The law and order position is reviewed at the highest level with the State Governments and improvements are perceptible in West Bengal and Orissa where regular meetings of the State Level Committees, presided over by the Home Secretaries are being held.
- (vi) A campaign of educational publicity and public participation has been started."

1.50. In regard to the steps taken to identify the areas/points where thefts and pilferage take place which leads to shortages in consignments of pig iron booked from the Steel Plant, the South/Eastern Railway have furnished a list (Appendix VII) of trains and sections identified as vulnerable on that Railway where RPF escorts are being provided. No separate study of pig iron consignments has been made by them as the same are classified under iron and steel. Whenever a place or section is known to be affected armed wing patrol/pickets are provided to guard against thefts.

1.51. In regard to the security arrangements made at the yards to prevent thefts and pilferage from consignments, the South Eastern Railway have stated that the important Railway yards are guarded round the clock by the RPF. Besides, the South Eastern Railway have recently introduced an experiment by providing watch towers at imported yards like Nimpura. The idea is that RPF personnel could have a bird's eye view from the tower and on detection of interference telephonic information could be communicated to the ground forces which could rush to the affected spot thereby preventing victimisation. Swivel lights will be fitted on these towers with proper communication arrangements from the tower to the ground station. While this arrangement has been commissioned at Nimpura the same is under construction at Tatanagar and Shalimar. In due course this could be extended further.

1.52. In all these arrangements the strength of RPF plays a decisive role. As an *ad hoc* measure the South Eastern Railway have requested assistance of Central Reserve Police.

1.53. It has been added that where trains halt for long periods for operational or other reasons or are stabled the RPF staff are duly advised for watch and ward. At stations where RPF staff are not posted arrangements for guarding trains are made on requisition.

1.54. In reply to a specific question whether these arrangements are adequate and are working satisfactorily, the South Eastern Railway have stated that:—

“These arrangements are by and large adequate and satisfactory. The instructions are generally for all trains carrying valuable consignments and not specifically for pig iron only.”

1.55. The South Eastern Railway have expressed the view that loading of pig iron consignments in covered wagons and despatch in full block loads with escorts will remedy the situation to a large extent.

# VII. *Disposal of claims and steps to simplify procedure for their settlement*

## (a) *Western Railway*

1.56. The Committee enquired about the steps taken during the last three years to simplify procedures for settlement of claims against the Railways. In a written note furnished to the Committee, the Western Railway have stated as follows:—

- “(i) Station Masters of important stations and Claims Inspectors have been authorised to settle the claims on the spot upto Rs. 100. At present, sixty-six Station Masters have been authorised to settle claims.
- (ii) Claims of Ahmedabad Area are settled by Area Supdt., Ahmedabad, and he has the powers to settle the claims upto Rs. 2,000.
- (iii) Divisional Officers|Asstt. Officers have been authorised to settle the claims upto a monetary limit of Rs. 200. They settle the claims in respect of the consignments booked to their headquarters and some other nearby selected stations. The settlement of the claims upto the monetary limit of Rs. 200 by the Divisions is on the basis of the Mobile Claim Office and this scheme has been introduced on Baroda Division with effect from 1st July, 1969 and on other Divisions from 1st November, 1969. About 658 claims per month are settled with an average time of 8 days.
- (iv) Missing Goods Reports are obtained from certain stations in advance and from other stations through the couriers. This obviates the delay in settlement of the claim for want of missing goods reports.
- (v) In the case where the estimated loss is more than Rs. 1,000, enquiries are started as soon as the missing

- goods reports are received without waiting for the claims.
- (vi) From 1st March 1971, the monetary limit of Rs. 2,000 for compensation claims which was subject to pre-check by Accounts Deptt. has been raised to Rs. 5,000. On account of this, it has been possible to settle the claims of high value with less loss of time.
  - (vii) With effect from 1st November, 1970, claims for compensation not exceeding an amount of Rs. 2,000 in each case are not subject to inter-Railway liability or inter-Railway adjustment. Previously, all cases over Rs. 200 were subject to inter-railway liability. This relaxation has contributed to early settlement of claims."

1.57. The Committee enquired whether any study team had been appointed with a view to suggest simplification of procedures for settlement of claims. The Western Railway have stated that Shri R. B. Lal, Addl. Member (Retired), Railway Board was appointed by the Ministry of Railways (Railway Board) vide their letter No. ERBI—69—001—51, dated 1st August, 1969 as 'One-Man Expert Committee on Railway Claims' to go into the question of loss of and damages to consignments booked by Railways and the compensation claims arising therefrom. He was asked to go into the problem from the following three angles:—

- (i) Preventive measures which may reduce the incidence of losses and damages.
- (ii) Prompt and efficient handling of claims cases and,
- (iii) streamlining of the arrangements for contesting the claims cases.

'One-Man Expert Committee' has submitted its report to the Railway Board (Ministry of Railways) in April, 1970.

That Committee in its Report has observed:—

"Pig iron is an expensive material and has to be treated with more care than coal. As far as possible, pig iron should be loaded in covered wagons which should be rivetted. The Security Branch should use its detective forces to find out the foundries which use such stolen goods and break the racket. When there is an apparent heavy shortage in the contents of a wagon, it would be only fair to allow reweighment, of course, on recovery of reweighment charges."

1.58. On the basis of enquiries made by the said 'One-Man Expert Committee', it found that foundries had come up at various points

3023 LS—72—3.



near the Railway line, and that miscreants climb up into the open wagons and throw the material on the side of the tracks while the train is on the run.

**(b) Central Railway**

1.59. The Central Railway have informed the Committee that they have taken the following steps to simplify the procedure for settlement of claims:—

- “(i) Powers have been delegated to Station Masters of as many as 64 stations to settle minor claims up to the value of Rs. 100, on the spot.
- (ii) Powers have been delegated to Divl. Commercial Supdtt., to settle local claims up to Rs. 1000 at their Headquarter stations.
- (iii) Goods Supdtt., Wadi Bandar has been empowered to settle claims up to Rs. 2000 in respect of traffic booked to Wadi Bandar and Byculla.
- (iv) The monetary limit of Rs. 2000 for compensation claims which was subject to pre-check by Accounts Department has been raised to Rs. 5000.
- (v) Inter-Railway adjustment limit has been raised from Rs. 200 to Rs. 2,000.”

**(c) South Eastern Railway**

1.60. The Committee asked the South Eastern Railway whether they had any specific suggestions to make for checking shortages in consignments of pig iron booked from the Steel Plants and expeditious settlement of claims by the Railways on account of such shortages. In a written note furnished to the Committee, the South Eastern Railway have stated:—

“It will be very useful if Pig iron can be loaded in covered wagons by the Steel Plants so that they can be properly rivetted and thus lessen the possibilities of interference en-route. Secondly, loading should be done as far as possible in block rakes which can be escorted by the Railways on vulnerable sections. Where there is proved shortage, there should not be any difficulty about expeditious settlement of claims by the Railways.”

**D. Conclusions/Recommendations of the Committee**

1.61. The Committee view with alarm the wide-spread and increasing number of complaints regarding shortages in consignments

of pig iron and the various other goods carried by the Railways. The Committee are of the opinion that as the National carriers of goods, it is prime duty of the Railways to ensure safe delivery of consignments to the consignees.

1.62. The Committee are surprised to find that the Railways do not maintain statistics of complaints of shortages in consignments received by them on a cause-wise basis. The Railways were, accordingly, unable to furnish to the Committee statistics of complaints or claims received by them in respect of pig iron consignments. The Committee are unable to appreciate how in the absence of statistics of complaints on a cause-wise basis, the extent of the problem of shortages in consignments of pig iron or other commodities can be estimated and the causes underlying the problem can be effectively removed. The Committee are of the opinion that pig iron being an expensive material, Railways should keep separate statistics of complaints and claims for shortages in consignments of this commodity.

1.63. Occurrence of wide-spread shortages in consignments of an expensive and rather a scarce commodity like pig iron not only causes losses to the established industries and disturbs their working and finances, but also forces the Railways to pay large sums of money by way of compensation for the shortages. It is, therefore, of utmost importance that urgent steps should be taken to eliminate the causes of such shortages.

1.64. The Committee are of the opinion that pilferage in consignments of pig iron is the main cause of shortages and consequent claims against the Railways. The loading of pig iron consignments in open wagons at the Steel Plants makes pilferage comparatively easier for the anti-social elements.

1.65. Loading of pig iron in open wagons on a piecemeal basis aggravates the problem as it makes sustained watch difficult and thus increases the chances of pilferage. During their on-the-spot visits to the loading sites in Rourkela and Bhilai Steel Plants, the Committee were satisfied that the chances of pilferage at the loading sites within the premises of the Steel Plants were remote, because of high boundary walls, barbed wire fencing and adequate security arrangements made by the Steel Plants. The Committee are of the view that the more vulnerable points for pilferage are (i) Exchange yards at the Steel Plants, (ii) Transshipment Points and (iii) various stages of movement, especially over long hauls.

1.66. In cases of piecemeal loading of pig iron wagons, the loads of the trains are completed from the intermediate stations which exposes the pig iron loaded wagons to greater chances of pilferage.

1.67. The Committee have also been informed that there are certain areas adjoining the Railway tracks in industrial sidings, Steel Plants or even elsewhere in concentration of "bustees", etc., where undesirable and anti-social elements indulge in wagon breaking and maintain direct contacts with certain business people who purchase stolen goods and finance those hirelings. It is necessary that these areas should be identified. In order to deal with the menacing problem of wagon breaking and pilferage from running trains by anti-social and criminal gangs at the vulnerable points, the Ministry of Railways, in coordination with the State Governments concerned, should take concerted steps to liquidate the organised gangs.

1.68. The Committee are of the view that utilisation of covered wagons for loading and transport of pig iron will prevent pilferage to a very large extent. Use of mechanical loading and adjustments by means of over-head magnetic cranes would, however, require re-designing of the covered wagons, for example, by providing sliding panels, or by other suitable modifications. The Committee recommend that the Ministry of Railways should develop a suitable design of covered wagons to suit this purpose on a priority basis and progressively use only covered wagons for loading and transport of pig iron. Till then, the Committee recommend that where loading of pig iron is done manually, covered wagons should be used as far as possible and open wagons may be used only when covered wagons are not available or where loading and adjustment is done by mechanical means.

1.69. The Committee recommend that loading of pig iron should be done as far as possible in block rakes which should be escorted by the Railways all along on vulnerable sections and long hauls. Further, the wagon-load despatches should be marshalled into full train-loads at the first possible opportunity. Piecemeal loading should be avoided as far as possible.

1.70. The Committee are of the view that security arrangements by Railway Protection Force need to be strengthened at the Exchange Yards at the Steel Plants and the transshipment points. Special security guards should invariably be posted to guard the trains during long halts at way side stations and yards specially during night time.

1.71. In this connection, the Committee would emphasise the desirability of awarding exemplary punishment to the offenders so that they find pilferage really prohibitive. If necessary, the relevant provisions of law should be suitably amended. Any Railway staff found conniving in pilferage should also be dealt with severely.

1.72. The Committee, during their on-the-spot visits to the loading sites at the Rourkela and Bhilai Steel Plants, were not satisfied by the supervision arrangements of loading and weighment of pig iron. The Committee are of the view that weighment should not be left to mere Tally Clerks but there should be supervision by some Senior Officers also, both of the Railways as well as of the Steel Plants. There should also be periodical joint surprise checks of weighment of loaded wagons by the Railways and Steel Plants Officers. Similar supervision and checking should also be carried out at the transshipment points by the Senior Officers of the Railways.

1.73. The Committee also recommend that the tare weight of the Railway wagons should be periodically checked both at the loading points in the Steel Plants as well as at the transshipment points. Further, all possible measures should be adopted in order to eliminate chances of pilferage and tampering with the loaded wagons. These would include revetting the loaded wagons securely and sealing them carefully; precautions in proper packing, labelling, marking, scrutiny and documentation of consignments; ensuring fitness of wagons; patrolling of loading points, exchange yards and at transshipment points.

1.74. The Committee are of the opinion that clear unqualified Railway Receipts should always be issued in respect of consignments of pig iron so that there is no ambiguity about their weight and there is no harassment to the consignees in the settlement of their claims.

1.75. The Committee feel that the existing procedure and conditions for dealing with demands of re-weighment of consignments are vague and unsatisfactory and likely to lead to arbitrary denial of legitimate demands for re-weighments by aggrieved consignees. The Committee recommend that the procedure and conditions for re-weighment should be clearly laid down to ensure that genuine demands for re-weighment are not denied.

1.76. The Committee are not satisfied with the existing procedure for settlement of claims by the Railways. The Committee recommend that this procedure should be simplified and streamlined to ensure expeditious settlement of claims.

1.77. The Committee are of the opinion that the public relations machinery of the Railways should be streamlined to ensure that an aggrieved person is able to approach the higher officers of the Railways without any difficulty for redressal of his grievances.

1.78. The Committee recommend that the Western Railway authorities should expeditiously review all the unsettled pending claims of the Jamnagar Factory Owners' Association and other parties of that area, in respect of shortages in consignments of pig iron. The Committee would like to be informed of the results of such review as early as possible.

1.79. The Committee note from the recent Report of the Special Study on Claims in Iron and Steel Traffic of the Western Railway that in some cases where the contents of one broad gauge wagon are transhipped into two or more wagons, the metre gauge wagons are not despatched to destinations in one lot by the same train, but are despatched on different dates and by different trains. This practice results in piece-meal arrival of consignments at destinations and leads to unnecessary requests for re-weighment. The Committee would like to emphasise that such piece-meal despatches should be avoided to keep the claims bill against the Railways in check.

ANANT PRASAD SHARMA,

*Chairman,*

*Committee on Petitions.*

NEW DELHI;

20th December, 1972.

## APPENDIX I

(See Para 1.1 of Report)

(Representation from Jamnagar Factory Owners' Association,  
Jamnagar).

### THE JAMNAGAR FACTORY OWNERS' ASSOCIATION

Near Jain Temples  
SANTOSH NIVAS

Jamnagar, the 9th January, 1972.

The Hon'ble Chairman and Members of the  
Petition Committee of the Parliament,  
Parliament House,  
NEW DELHI.

May it Please Your Honour and Members of the Committee:

We, the petitioner, the Jamnagar Factory Owners' Association, having our office at Santosh Nivas, Near Jain Temples, Jamnagar, the aggrieved party in the cases of claims of compensation in the office of the General Manager and the Chief Commercial Superintendent of the Western Railway have to submit this petition to your Honour and the members of the Committee whose legal rights have been jeopardised by the Western Railway authorities due to the wrong action taken by the officers concerned dealing with the claims including the Chief Commercial Superintendent and thus a great injustice has been done to the petitioners and which has compelled the petitioners to submit this petition to your Honour for favour of justice and to restore the due amount to the petitioner by issuing necessary directives through the Ministry of Railways to the Western Railway Administration.

2. For favour of your information, the petitioner gives you here below the details of two types of cases, to have an idea about the petitioner's cases and the difficulties experienced by the petitioner and how the Association became the claimant in these transactions with the Western Railway:—

Booking Particulars	Amount of claim	Claim settled for
1	2	3
	Rs.	Rs.
1. Burnaco Sdg. to Jamnagar, Inv. 3 of 30-4-70—Claim for shortage of 7·600 M.T. pig iron, W. Rly's No. CL/RJT/E/70/15-60-G-70-Spl	3539·32	3524·00
2. Burnaco Sdg. to Jamnagar, Inv. 5 & 6 of 15-5-70—Shortage of 6·845 M.T. pig iron, W. Rly's No. CL/RJT/F/70-15475 and 15476	3187·72	2549·00

	1	2	3
3. Bhilai to Jamnagar, Inv. 12 of 11-12-69 shortage—3·805 M.T. pig iron W. Rly's No. CL/RJT/F/69/13844/P. . . . .		1555·44	438·00
4. Rourkela to Jamnagar, Inv. 4 of 27-4-70 shortage—W. Rly's No. CL/RJT/F/70/15512/P . . . . .		663·62	88·00
5. Rourkela to Jamnagar, Inv. 2 of 29-4-70 W. Rly's No. CL/RJT/F/70/15513 . . . . .			139·00
6. Durgapur to Jamnagar, Inv. 5 of 31-7-69 shortage—5·610 M.T. . . . .		2323·66	870·00

Booking particulars	Amount Rs.
1. Bhilai to Jamnagar, Inv. 7 of 11-12-69—shortage—4·387 M.T. pig iron W. Rly's No. CL/RJT/F/69/13765/P . . . . .	1798·68
2. Bhilai to Jamnagar, Inv. 5 of 11-12-69 shortage—4·450 M.T. pig iron, W. Rly's No. CL/RJT/F/69/13849/P . . . . .	1820·27
3. Durgapur to Jamnagar, Inv. 11 of 5-8-69 shortage—12·420 M.T. pig iron W. Rly's No. CL/RJT/F/69/13457/G/12/60/Spl. . . . .	5080·40
4. Durgapur to Jamnagar, Inv. 2 of 22-7-69 shortage—1·865 M.T. pig iron, W. Rly's No. CL/RJT/F/69/13456/P . . . . .	758·79
5. Bhilai to Jamnagar, Inv. 10 of 11-12-69 shortage—5·465 M.T. pig iron, W. Rly's No. CL/RHT/F/69/13845/P . . . . .	2235·46
6. Bhilai to Jamnagar, Inv. 6 of 11-12-69 shortage—1·425 M.T. pig iron, W. Rly's No. CL/RJT/F/69/13838/K . . . . .	582·90
7. Bhilai to Jamnagar, Inv. 9 of 11-12-69 shortage—11·280 M.T. pig iron W. Rly's No. CL/RJT/F/69/13843/G/2/70/Spl. . . . .	4614·08
8. Bhilai to Jamnagar, Inv. 13 of 11-12-69 shortage—6·075 M.T. pig iron, W. Rly's No. CL/RJT/F/69/13846/P . . . . .	2516·27

3. Under the existing arrangements by the Gujarat State Government, the pig iron quota booked from the Steel Plants are under the directives of the Government of India and the quota is allotted to the Gujarat Small Scale Industries Corporation Ltd.; for distribution to the small factory owners in the Gujarat State. The Gujarat Small Scale Industries Corporation Ltd.; have number of distribution depots in the State of Gujarat but as far as the Jamnagar district is concerned, the work of distribution is entrusted to the Association of the petitioner. The petitioner's Association consists of all the members of the factory owners in the Jamnagar District. This Association is formed solely for the purpose of doing service of helping the Small Scale Industries on the basis of no profit no loss basis and the pig iron thus allotted to the Association is fairly distributed to the

members according to the supply and demand. This service the Association is doing for the growth of the small industries in the State of Gujarat. Your Honour and the Members of the Committee are well aware that it is the policy of the Government of India to encourage the small industries whereas after going through this petition your Honour and the Members of the Committee would realise that the attitude of the railways is negative and the Western Railway Administration has adopted the policy of depriving the trading public of their legitimate dues on some pretext or the other by using any technical means to save themselves from explaining the heavy payment of claims bills which have been going on increasing day by day in spite of the Organisation of claims prevention with an Army of officers and staff.

4. Every year the Ministry of Railways (Railway Board) have been issuing directives to the Zonal Railways to reduce the claims bills by preventing the claims. As the railway administration have miserably failed to prevent any claims, they are adopting the novel idea of reducing the claims bills by rejecting all the claims genuine or otherwise on some pretext or the other to fulfil their duty of reducing the claims bill. Eventually the trading public either have to write off the amount and discontinue the relations with the railways or have to undergo mental tortures and have to knock the doors of the court of law or the Petition Committee of Parliament. Your Honour and the Members of the Committee would appreciate that to go to the court of law, not only the members of the public have to undergo heavy cost of legal fees, stamp duty as well as professional costs of the Advocates but even after undergoing all these difficulties the time factor involved to have the justice through the court of law is most significant. It is an admitted fact that one has to wait for number of years to get the issue settled through the court of law and eventually this situation forces the parties to drop the idea of litigation and the railway administration is taking full advantage of the situation which are perturbing the members of the public who have to deal with the railways. There are certain officers of the railways highly paid occupying key posts who do not desire to take the decision or responsibility and thus the decision is being either delayed for abnormal time or are being taken against the public and thereby the public rights are jeopardised.

5. Under the Constitution of India people of this country have been assured the full justice and the members of the public who have to deal with the Government-owned railways expect a fair deal and justice from the railway administration. The petitioner should be pardoned to mention that now-a-days the General Managers of the



railways are beyond the reach of a common man who has to deal with the railways. This your Honour and the Members of the Committee would observe from the copy of letter dated 16th November, 1970 (See Annexure) from Shri N. Dandekar, the then M.P. and to Shri G. L. Nanda, the then Hon'ble Minister for Railways. The petitioner's Constituted Attorney submitted a representation on certain points regarding the legal aspects and submitted a copy of the representation to then M.P. Shri George Fernandes, who was also a member of the Petition Committee, who in turn took up the issue with the Western Railway and the Western Railway Chief Commercial Superintendent Shri R. T. Shahani replied to Shri George Fernandes vide his letter of 12th October, 1970 that the issues raised by the Constituted Attorney of the petitioner are being examined by the railway administration.

6. If the petitioner, being an association could not secure an interview with the General Manager of the Western Railway and in spite of a letter from the Member of Parliament, it is left to your Honour and the Members of the Committee to judge what sort of treatment an individual merchant/trader can get at the hands of the General Manager of the zonal railways. Your Honour and the Members of the committee's attention is invited to the two types of cases referred to earlier in this petition in para 2. These are pertaining to the consignments of pig iron which were booked to Jamnagar from the steel plants at Rourkela and Bhilai as per the arrangements in favour of the Gujarat Small Scales Industries Corporation Ltd., of Ahmedabad and according to that arrangement of the Gujarat Small Scale Industries Corporation Ltd., with the Petitioner's Association, the Railway Receipts were endorsed in favour of the petitioner to distribute the pig iron to the factory owners as per the quota allotted. It is well aware to the railway authorities that out of hundreds of pig iron wagons booked from different steel plants which are accepted by the railways for carriage for different destinations are reaching the destination with heavy shortages. At the time of booking, all these wagons are weighed at the booking stations and the weighment has been witnessed by the railway staff at the booking end. Under the terms of contract of carriage, and well settled principles of the judiciary it is obligatory on the railways to deliver the consignments with the same weight as they were accepted at the booking end. On arrival of these consignments referred earlier at the destination, the request was made to the Station Master, Jamnagar, and the divisional railway authorities at Rajkot in certain cases by letters and at times even by telegrams to give delivery on weighment but the railway administration turned down the request of the petitioner for giving delivery on reweighment. Eventually, the petitioners were forced to

remove the consignments from the railway premises after the payment of due charges to the railways and had to be weighed on private weigh-bridge in the presence of the panchas or in the presence of the representative of the Nawanagar Chamber of Commerce, Jamnagar, who have issued the certificate certifying the weighment. There were heavy shortages in all the cases and hence your petitioners submitted their claim to the Western Railway under Section 78-B of the Indian Railways Act within the prescribed time limit which were turned down by the Western Railway Administration stating that the delivery of the consignments was taken under clear signature. Being aggrieved with this unlawful decision, the petitioner entrusted all their claims to Shri Kanu M. Thakkar of the Railway Claim Agency, Bombay-3, by appointing them as the petitioner's Constituted Attorney duly empowered by executing a General Power of Attorney in their favour to represent the cases of the petitioner. Mr. Kanu Thakkar of Railway Claims Agency represented the cases of the petitioner individually and also made a general representation of all the cases to the then Railway Minister Shri G. L. Nanda, and also made a representation to the General Manager of the Western Railway and sought for the interview of the General Manager to discuss the cases with him by the petitioner's representative but no interview was granted by the General Manager. However, after a lot of persuasion the interview was granted to the petitioner's representative and Mr. Thakkar with the Chief Commercial Superintendent of Western Railway Shri R. T. Shahani. Accordingly the discussion was held on 26th December, 1970 and during the course of the discussion it was assured by the Chief Commercial Superintendent himself in presence of his Deputy—Shri D. G. Mehta that out of number of cases referred to in this petition the first lot would be settled where they have a record of reweighment of the consignments *en route* to destination which were weighed at Viramgam while transshipping the contents of pig iron from the broad gauge wagons to metre gauge wagons and accordingly the railway have settled these cases for the amounts shown against each case on the basis of their weighment at the transshipment point and not on the basis of the weighment certificate issued by the Nawanagar Chamber of Commerce which the railway is bound to compensate under the terms of contract of carriage.

7. The other lot of cases have not been settled merely because these consignments have not been weighed at the transshipment point by the railways. As the cases were delayed the representation was made to the Railway Minister and as such Mr. Shahani assured and asked for some particulars to be submitted to him and said that on submission of those particulars he would come forward

for the amicable settlement but now it appears that Mr. Shahani does not desire to come forward to settle the claims amicably just because a severe complaint was sent out by Mr. Thakkar to the Member, Vigilance, Railway Board, against the delay in settlement of these cases in spite of the opinion given by the Ministry of Law to the Western Railway that the claims are one for settlement. The petitioner's Constituted Attorney Mr. Thakkar had discussed each case at length prior to the personal interview and discussion which the petitioner's representative had with Mr. Shahani, CCS of the Western Railway, with the then Dy. Chief Commercial Superintendent Shri S. Varadarajan on quoting an authority from the Indian Railway's Act and had agreed to refer the cases to the Law Ministry for opinion.

8. The Law Ministry in their opinion have clearly stated that the railways are liable to compensate and in spite of this, these claims are not settled. The authority which the petitioner's Constituted Attorney Mr. Thakkar had quoted as far as the railway's obligation to deliver the consignments on weighment is as follows:—

“Section 55, Rule 21 of the Indian Railways Act which reads as under the heading of “Company (i.e., the Railway), for damage caused by failure to allow reweighment, the obligation or liability to refund the overcharge and power to levy undercharges involves the necessary liability or the right to reweigh the goods for due enforcement of the principles or the right as between the parties to any contract of carriage. As the right to reweight the goods is an accessory to substantiate right of the company to calculate an undercharge, the same is the case with the company giving right to the party being entitled to receive the refund of overcharge, and therefore, the company is liable to the consignee for not giving the necessary facilities to reweigh the goods, both from the point of view of the contract, express or implied, as also of the Indian Railways Act.

Failure of the company to reweigh the goods after their arrival at destination is a default which amounts to misconduct on the party of the railway company servants within the meaning of the contract as embodied in Risk Note ‘A’ or in the Forwarding Note.”

9. It is not understood what pleasure the administrative officers i.e., the Chief Commercial Superintendent and the Dy. Chief Commercial Superintendent are deriving by withholding the payment

in spite of the opinion of the Ministry of Law and even though it was assured for amicable settlement. For the information of your Honour and the Members of the Committee, similar types of cases were taken to the Court by an aggrieved party of Rajkot and in some cases after the court issued the directives against the railways to pay the decretal amount, the remaining cases pending in the Rajkot Court have also been compromised by the railway knowing fully well what would be the result of those cases also. In spite of all these, the railways are not restoring the payment to the petitioners for the reasons best known to them. As one of the representation was addressed to the Railway Board Chairman, wherein he had called for a report from the Western Railway, the Railways have submitted a report and this was informed to your Petitioner's representative when he recently saw Shri D. G. Mehta, Dy. Chief Commercial Superintendent of the Western Railway during his tour at Jamnagar. Finally while concluding this petition your petitioner humbly requests your Honour and Members of the Committee to call for the original file of papers of each case whether settled or not and the General Policy file in which they have obtained the legal opinion as also the copies of the judgement of the Rajkot Court in similar type of cases and the files of cases compromised by the Western Railway of the Rajkot party. If this is called for, it would bring the clear picture before the Members of the Committee and your Honour as to why the petitioner's cases are not settled. What the petitioner presumes is the annoyance and personal prejudice are playing the major role in withholding the payments rather than the merits of the cases just because the petitioner's attorney ventured to complain against the delay in settlement of the claims of the petitioner. What your petitioner expects is that is the fair justice and nothing else, and only to secure the fair justice as guaranteed by the Constitution of India, the petitioner is submitting this petition and the petitioner is sure that your Honour and the Members of the Committee would take necessary action for the sake of justice and equity and issue necessary process of the case as per the procedure of the Committee and issue necessary directives to restore the money to the petitioner, in the cases not settled by the railways on the basis of the shortage certificate submitted in each claim issued by the imperial body of the Nawanagar Chamber of Commerce.

10. The petitioner further state that the arguments advanced by the learned Chief Commercial Superintendent Shri R. T. Shahani of the Western Railway and his deputy, Shri D. G. Mehta that the cases wherein the weighment has been done at Viramgam, the transhipment point, are payable by the railways on that basis and the remaining cases are not for payment just because the railways have

not weighed the consignments at Viramgam transshipment point which is really a vague argument which cannot be accepted by any man of common sense and the court of law. Now it is left to your Honour and the Members of the Committee after going through the report and the opinion of the Law Ministry whether the vague argument carries any meaning for with-holding the payment.

The petitioner begs to remain.

Yours faithfully,  
Sd./- J. V. KAMDAR,  
Chairman,  
Engineering Committee,  
Jamnagar Factory Owners' Association.

#### ANNEXURE TO APPENDIX I

N. Dandekar I.C.S. (Retd.)

Phone: 48092

Member of Parliament.

18, Phirozshah Road,

(LOK SABHA).

NEW DELHI—1.

16th November, 1970.

Ref: J-A-64.

Dear Minister,

SUBJECT: *Western Railway—Refusal to concede reweighment of Pig Iron consignments received at Jamnagar.*

When I visited Jamnagar (my constituency) in July and October this year I was impressed by the deep sense of *genuine grievance* harboured against the Western Railway by the consignees of Pig Iron, routed to Jamnagar *via* Sabarmati and Viramgam.

2. Their grievance is this:

- (i) Consignments of Pig Iron coming to Jamnagar *via* Sabarmati and Viramgam are *invariably* received *shortweight* compared with the weight shown on the consignment notes issued by the Originating Railways at the Stations from where these consignments are booked.
- (ii) The Railway authorities at Jamnagar *always* refuse to allow re-weight before the consignees take delivery.
- (iii) Consequently, the consignees are unable to claim compensation for the short-weight either from the consignor or from Railway.

3. The main sufferers are *small men*,—especially owners of small industrial units. In their discussion with me, they were ably represented by the Jamnagar Factory Owners' Association (JFOA). When this problem came to my notice as a major grievance in July, I advised the JFOA to take it up at the top level with the Eastern Railway. But I now understand that their efforts have proved completely futile. They cannot get even an appointment to see the General Manager (Mr. Kaul).

4. There are three aspects of this matter, which occasion in my mind a great deal of concern.

*Firstly*, the demand for re-weighment of these consignments at Jamnagar is so eminently fair and equitable that I am quite unable to see any justification for the persistent and continuing refusal by the Western Railway to concede it,

*Secondly*, as regards pending claims in respect of short weight on consignments taken delivery of *after* request for re-weighment was refused, surely the wiser (and more equitable) course would be for the Western Railway to concede such claims on the basis of some equitable compromise, regardless of the 'technical' merits in law of the Railways case in resisting such claims.

*Thirdly*, it needs very little imagination to estimate the cost of all this in terms of goodwill (or illwill?) towards the Railway from an important group of its customers in Saurashtra.

I am persuaded to write to you directly about all this because of your anxiety to put right all such genuine grievances.

I would appreciate an early reply and some radical action.

Kind regards.

Yours sincerely,  
Sd/- N. DANDEKAR..

Honourable Shri G. L. Nanda,  
Minister for Railways,  
Government of India,  
NEW DELHI,

## APPENDIX II

(See para 1.18 of Report)

[Statement of reported shortages in consignments of pig iron, received by the South Eastern Railway, during the years 1968 to 1972]

Destination Railway	1968			1969			1970			1971			1972			Total		
	No. of cases	Rs.	P.	No. of cases	Rs.	P.	No. of cases	Rs.	P.	No. of cases	Rs.	P.	No. of cases	Rs.	P.	No. of cases	Rs.	P.
1. Eastern Rly.	1	2844.92		2	2559.55		..	..		2	10215.96		1	1053.88		6	16674.31	
2. South Central Rly.	1	(Not specified)		2	2750.00		1	37053.24		1	11791.44		..	..		5	51594.68	
3. Central Rly.	..			5	16826.97		..	..		2	3911.88		..	..		7	20738.85	
4. Northern Rly.	2	10866.29		14	86290.01		1	2285.00		1	(Not specified)		2	(Not specified)		20	99441.30	
5. Western Rly.	1	9655.67		12	30185.21		7	33447.42		1	3555.75		1	8792.08		22	856.13	
6. Southern Rly.	2	(Not specified)		21	195686.92		1	(Not specified)		1	27839.00		..	..		25	223707.92	
GRAND TOTAL	7	23,366.88		56	3,34,480.66		10	7,24,85.66		8	57,314.03		4	9,845.96		85	4,97,793.19	

# APPENDIX III

(See para 1.19 of report)

[Statement showing the total volume and value of pig iron despatched from the Bhilai Steel Plant to various States in the country]

Unit : Tonnes.

States	Year 1969-70					Year 1970-71					Year 1971-72				
	Govt. Parties	Private Consumers	Producers	Stock	Total	Govt. Parties	Private	Stock	Total	Govt. Parties	Private Parties	Producers	Stock	Total	
I	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Assam	45	70	..	115	208	..	..	208	24	..	..	24	..	24	
Andhra Pradesh	837	4736	1958	7531	4567	3609	513	8689	2158	5354	1798	9310	..	9310	
Bihar	5756	1795	365	8916	..	..	794	794	3028	..	..	3028	..	3028	
West Bengal	6296	15489	2245	24030	4227	4545	..	8772	3131	5992	..	8923	..	8923	
Delhi	1662	2454	9947	17963	..	306	2612	3918	1128	578	3377	5083	..	5083	
Gujarat	14734	50256	5662	70652	33918	19140	..	52058	45077	36176	..	84253	..	84253	
Goa	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Haryana	11611	5127	..	16738	4263	7490	..	11753	12802	4275	..	17707	..	17707	



I	2	3	4	5	6	7	8	9	10	11	12	13
Himachal Pradesh .	264	959	..	1223	562	611	..	1173	..	186	..	186
Kerala .	2937	898	3953	7768	1762	856	1687	4305	269	1317	510	2096
Madhya Pradesh	411	4077	2823	7311	4112	3058	2827	9997	1241	1815	1412	4468
Maharashtra .	18849	21401	6791	47041	2995	16888	12472	32355	1339	18654	1546	21569
Mysore	12630	4778	4260	21668	11220	2282	1689	15191	676	2656	709	4141
Orissa .	1838	364	..	2202	7154	145	..	7299	12496	..	..	12496
Pondichery	..	103	..	103	..	50	..	50	..	..	..	..
Punjab .	25434	37784	6781	89999	3965	46966	6169	60100	7255	32290	1691	43236
Rajasthan	1617	1379	..	2998	1598	2515	..	4113	1342	2757	1124	5223
Tamil Nadu .	4647	11477	6255	22379	8040	16158	3851	28049	6559	23354	1458	31371
Uttar Pradesh	6519	11367	5090	22976	602	718	7330	8650	2373	..	2265	4638
TOTAL . . . .	116087	177423	56330	349840	88193	125337	43854	257384	100298	137204	15890	254022

## APPENDIX IV

(See Para 1.43 of Report)

[Circular issued by the Western Railway explaining the circumstances under which requests for re-weighment of consignments may be acceded to.]

### WESTERN RAILWAY

General Office,  
Churchgate, Bombay.

No. C 611/12.

Dt. 22 Sept. 1962.

The Divisional Supdts (C),

BCT. BRC. RTM. KTT. JP. AII. RJT. BVP.

SUB:—Weighment Re-weighment—Procedure of—

Though detailed instructions in regard to re-weighment of goods at the destinations have been issued time to time a number of references are received regarding request for reweighment particularly in regard to loose consignments like iron and steel, coal etc.

2. The following instructions which are already in existence are, therefore, reiterated for information and guidance of the staff:—

#### GENERAL

- (i) In terms of Rules No. 118 of the IRCA Goods tariff No. 31 Part I, the Railways do not undertake to re-weigh consignments at destination stations as a matter of course. Such weighments at destination stations can only be considered in exceptional cases where the condition of consignments or packages warrants the same.
- (ii) Coal booked at owners' risk, firewood, charcoal, and other goods in bulk, and goods such as fruits, and vegetables likely to lose weight in transit should not be re-weighed, unless there is a clear evidence that the consignment has reached destination with a sizeable and avoidable loss during transit.
- (iii) All consignments the invoices or labels of which have been endorsed for weighment by the forwarding station or bear remarks 'SWA' (Sender's weight accepted) should be weighed at destination station, unless they have already been weighed enroute and under-charge if any recovered.

- (iv) All consignments showing signs of pilferage or the invoice weight of which appears to be incorrect should be re-weighed as soon as they are unloaded. In the case of consignments consisting of packages of different size of weight, the entire consignment should be weighed.

3. The staff should exercise greatest care in this matter and if any application is received at destination station for re-weighment of wagon load of goods the application should be considered in the light of instructions and examined whether the re-weighment of goods is warranted. If this course is warranted and re-weighment facilities for re-weighment of wagon load consignment in question are available at the destination station, *full facts of the case should be reported to the DCS concerned apprising him of the condition of the consignment which warrants the re-weighment of goods.*

The DCS will immediately order after careful consideration of the matter and facts of the individual case *whether re-weighment of goods should be permitted or not.*

When the request for re-weighment is accepted by the DCS the staff should exercise greatest care in this matter and should strictly observe the following instructions: —

- (i) Weigh bridge should be properly tested before a wagon is worked on it for weighment.
- (ii) Weighment should be done in presence of the S.M. or Chief Goods Clerk and should be witnessed by the representative of the RPF, preferably a SIPF or a Subedar.
- (iii) The result of reweighment should be properly recorded in the registers specially maintained for the purpose. Complete details as required under each column of this register must be filled at the time of weighment itself and the entries should be signed by all the persons witnessing the weighment in token of their having done so.
- (iv) In the event of a difference being noticed between the invoiced weight of the consignment and the weight recorded on re-weighment, the number of packages should be counted before allowing removal of the goods and record of the number of packages delivered should also be mentioned by the staff.
- (v) Tare weight of empty wagons be tested to see that the painted tare weight of the wagon is correct.
- (vi) When loaded vehicle is heavier than a weighbridge can register in one weighment, each pair of wheels should be

placed alternately on the centre of the machine and each weight recorded. The total of both such weighments will give the total weight of the wagon.

#### 4. *Re-weighment charges:*

(a) When at the special request of the consignor or consignee re-weighment at destination is allowed and there are facilities for re-weighment, the following re-weighment charges are required to be collected with effect from 12 July 1961:—

- (i) Rs. 30 per Broad Gauge four wheeled wagon.
- (ii) Rs. 20 per Metre Gauge four wheeled wagon.
- (iii) Rs. 15 per Narrow Gauge four wheeled wagon.

(b) When re-weighment is demanded for larger wagons; the charges should be increased in the following proportions:—

- (i) 1-1/2 times for six wheeled wagons.
- (ii) Twice the four wheeled wagon for bogies.

(c) Demurrage charges due under rules should be levied in addition if the request for re-weighment is received after placement.

(d) Re-weighment charges must be paid along with the application for re-weighment and a separate money receipt issued for each such reweighment.

#### 5. *Haulage charges:*

The following haulage charges will be levied if the weigh bridge is not provided at the destination station and wagon is required to be sent to another station for re-weighment irrespective of the distance of haulage:—

- (i) Rs. 30 per BG four wheeled wagon.
- (ii) Rs. 20 per MG four wheeled wagon.
- (iii) Rs. 15 per NG four wheeled wagon.

When re-weighment is demanded for larger wagons, the charges should be increased in the following proportion.

- (i) 1-1/2 times for six wheeled wagons.
- (ii) Twice the four wheeled wagon for bogies.

Haulage charges must be paid along with the application for re-weighment and a separate money receipt issued for each re-weighment.

## 6. *Iron or Steel consignments:*

(i) Request for re-weighment at destination station for iron or steel structurals such as angles, bars, channels, poles, rods, stay rods, ties, billets (not exceeding 63.5 mm square), flat iron joists, rails (not heavier than 11.905 kg. per metre), shafts, sleepers, squares, tubings etc. may as far as possible be agreed to, provided the consignment is packed in accordance with the packing condition P|37 now prescribed for this commodity and outward condition of the consignment indicate that the lead seals have been tampered with and the contents of the open wagons have been disturbed.

(ii) In regard to re-weighment of iron and steel structurals referred to above, subject to transshipment enroute, if P|37, packing condition is complied with request for reweighment at destination station may be agreed to as far as possible when such wagons reach destination with lead seals broken and contents of wagons disturbed.

Note: In such cases, if desired by consignee, a shortage certificate may also be issued as usual without prejudice indicating both the re-weighment and the number and nature of articles delivered.

(iii) However, before accepting to the request in such cases, the staff should ensure that the Railway Receipt bears the remark regarding compliance of P|37 condition as well as actual weight on the goods by the Railway at the time of booking or at enroute weigh-bridge station. In cases where sender's weight has been accepted and also in cases where P|37 condition applicable is not complied with at the time of booking, re-weight should not be permitted.

(iv) In regard to iron and steel consignments for which packing condition P|37 does not apply, request for re-weighment at destination should not be considered as a rule.

(v) In case of wagons containing iron and steel structurals but booked under the remarks 'Sender's weight accepted' and marked for weighment enroute or at destination, the weight found on weighment at intermediate weigh or at the destination weigh bridge as the case may be advised to the consignee making it clear that the weight has been ascertained for the purpose of computing freight charges provided a written request for the same is made.

(vi) In case of iron and steel consignments originally consigned in BG wagons and transhipped into several MG wagons and when all these MG wagons do not arrive at destination simultaneously, the delivery of the part consignment should be effected without weighment. However, in any specific case of difficulty, the local officer should dispose of the request at his discretion.

## 7. Coal and Coke:

As stated in sub para (ii) of para 2, re-weighment of coal booked at owner's risk should not be permitted under normal circumstances except when there is a reason to infer that there has been a sizeable loss or pilferage etc. due to heavy detention enroute on the consignment being involved in an accident. In this connection, the instructions mentioned vide para 3 should be strictly followed.

8. The proforma given vide Traffic Supplement to Weekly Gazette No. 4 dt.26-4-57 regarding Joint Accounts and Commercial Departments Notification No. TS/21 Re-weighment charges should not be ignored under any circumstances.

9. Particulars of re-weighment of consignment should invariably be posted in the re-weighment register whether the re-weighment is done at the instance of the party or at the instance of the Railway.

10. In the end the staff should exercise great care in dealing with requests for re-weighment at destination and such requests should be considered only in the light of directive indicated above and when they are fully satisfied that reweighment is warranted. In such an event and where facilities for re-weighment exist full facts of the case should be reported to DCS concerned for orders.

11. The DCS will immediately order after due consideration of the facts of the case whether re-weighment of goods be permitted or not.

Sd/-

for Chief Commercial Supdt.

## APPENDIX V

(See para 1.44 of Report)

[Reference made by the Western Railway to the Additional Legal Adviser, Ministry of Law, Bombay, seeking advice on the question of obligation of Railways to reweigh consignments at the time of delivery to the consignees.]

Copy of letter No. CL/RJT/F/69/13848 dated 12th October 1970, from the Chief Commercial Superintendent, Western Railway, Churchgate, Bombay, to the Deputy Legal Adviser, Ministry of Law, Aayakar Bhawan, Bombay.

Subject: Ex. Bhilai Steel Project to Jamnagar, Inv. 14 RR 923561 of 11.12.1969, Wagon No. SE Box 54319 containing Pig Iron—Claim for Rs. 1129|53 p on account of shortage of 2.71 M.T. Pig Iron.

The Jamnagar Factory Owner's Association, Jamnagar, have preferred a claim of Rs. 1129|53 p on account of shortage of 2.71 M.T. Pig Iron.

2. The subject consignment was loaded at Bhilai Steel Project in open Box wagon No. 54319 and weightment was witnessed by the Railway staff at Bhilai.

3. It was received at Jamnagar on 31.12.69 and 2.1.70 in three MG Wg. Nos. 37019, 3353 and 28840 duly transhipped at Sabarmati and delivered to the party under clear signature. The party has 'however' applied for re-weightment, but the consignment being loose, the re-weightment was refused by the Divisional Commercial Supdt., Rajkot.

4. The party has however, got the consignment reweighed on public weigh-bridge in presence of the representative of the Nawanagar Chamber of Commerce, Jamnagar on 13.1.70 when shortage of 2.71 M.T. Pig Iron was found. The Hon. Secretary, of Nawanagar Chamber of Commerce, Jamnagar has issued re-weightment certificate to the party.

5. The reweightment of loose consignments are allowed on exceptional merits in specific cases as laid down in the Indian Railway Commercial Manual (Para 1744, Edition, 1967).

"1744, Re-weightment at the request of Owners (a) As laid down in the I.R.C.A. Goods Tariff, railways do not undertake to

weigh consignments at the destination station as a matter of course. Such weighments can only be considered in exceptional cases, when the condition of the consignment or package warrants this. (b) Requests for such reweighments of goods booked in wagon loads should be referred to the Divisional Commercial Superintendent, who may permit the reweighment at his discretion provided that facilities for weighment exists at the destination. (c) Coal booked at owner's risk, firewood, charcoal and other goods in bulk, and fruits, vegetables etc. which are likely to loose weight in transit should not be re-weighed ordinarily or as a matter of course except under written orders of the Divisional Commercial Supdt. | Coal Area Supdt. | Chief Commercial Supdt. for the test weighment or at the special discretion of the said officer on the exceptional merits of specific case cases."

6. The party has alleged that as per the Contract Act, the Railway should deliver the same weight and in condition under which the consignment was accepted.

7. Now the question is, whether the Railway Administration is bound to accept the reweighment done on the public weigh-bridge in the presence of the representative of the Nawanagar Chamber of Commerce particularly when our Divisional Commercial Supdt. had refused to reweigh the wagons and after the party had taken delivery of the consignment under clear receipt. Will the claimant succeed in the Court of Law in establishing the loss sustained by them based on the results of re-weighment done on the private weighbridge which was not witnessed by the Railway staff?

8. The rules cited under para 5 above made it clear that it is not practicable to give delivery of every iron-load wagon on reweighment even if wanted by the parties. However, such requests can be entertained only in exceptional circumstances when the condition of the consignments so warrants. I shall be grateful, if your valued opinion is given whether as per Contract Act Railway will be obliged to give delivery of wagon load consignments on reweighments as is implied in the party's letter.

9. This office file of papers with 45 pages at correspondence side and 12 pages at Noting side is enclosed please.



## APPENDIX VI

(See para 1.44 of Report)

Advice of the Additional Legal Adviser, Ministry of Law on the reference of the Western Railway on the question of obligation of Railways to reweigh consignments at the time of delivery to the consignees.

Notes in the Ministry of Law.

(Department of Legal Affairs)

BOMBAY

Ref:—CL|RJT|F|69|13848 dt. 12-10-1970.

Whether there was actual shortage at the time of delivery of the goods, is a question of fact. The goods were delivered to the party under clear signature. All the same they had asked for re-weighment which was refused. The re-weighment was got done by the party by the Navanagar Chamber of Commerce.

2. Having regard to the status of the party and the accuracy of the weighment made, it is likely that a court of Law will come to the conclusion that in fact the Railway Administration had short-delivered the goods as contended by the party.

3. The Railway Administration is bound to deliver the goods entrusted to it for carriage and whether this was done or not will be a question of fact. It is no doubt true that as per the rules it may not be possible to effect re-weighment in all cases but ultimately whether the goods consigned were delivered or not were the question of fact.

4. Having regard to the facts and circumstances in this case I am of the view that it may not be worth while contesting the claim.

Sd|—

(V. N. LOKUR),

*Addl. Legal Adviser to the Government of India.*

Phone—283657, dated 15-10-1970.

Chief Comml. Supdt. W. Rly. Bombay.

Min. of Law U.O. No. 3189|70-Adv Bom. dt. 16-10-70.

## APPENDIX VII

(See para 1.50 of Report)

*List of trains and sections on the South Eastern Railway which are vulnerable to pilferage*

### S. E. RAILWAY

#### ESCORTING OF GOODS TRAINS

Division	Day and night Train No.	Section	Remarks
1	2	3	4
ADA	Dn WAT Spl. Dn NMP Spl. BQA Pilot	ADA-KGP ADA-BQA	Mixed loads for KGP area and SHM. BQA goods shed & transshipment load and loads for Jhantipahari-Chhatna.
	GMO-2 GMO-4 GMO-6	Gomoh-Bhojdih- ADA	Foodgrain loads and other general merchandise for stations on S.E. Rly. system.
	Up BNDM Spl. Up 643 Up 653 Up 633	ADA-Anara-Chandil	Tata goods shed loads.
	Dn Foodgrain Spl. Dn 624	Chandil-Anara-Adra	Miscellaneous loads.
	Dn F.C.S. Up Eastern Exp. NMP Spl. Dn Foodgrain Spl. Waltair Spl. ETN Spl. Foodgrain Spl. & 680 Dn.	JSG-Tata Tata-JSG. Tata-NMP Tata-NMP Tata-NMP BNDM-Chandil	
	594	BNDM-Tata	Ferro-Manganese for TISCO
CKP	BT	BNDM-Tata	Load for Tata Goods Shed and Siding.
	581 & 583	Tata-BNDM	Loads for ROU area and BSP terminating.
	Up BDN & BMB	BNDM-JSG-BIA	
	644	BNDM-HTE	Goods Shed loads for HTE & Ranchi area.
	769	JSG-BSP	Goods Shed loads.
	<i>N.B.</i> —All Pilots running between subsidiary sidings at Tata Yard are being escorted during day and night—to be continued.		

1
2
3
4

BSP	Block rakes of pig iron & steel materials from HSL-BIA & all foodgrain trains	}	All directions specially to SHM to be escorted during night and day.	
	MBB		BIA-BNDM	
			Division should try to send all vulnerable general merchandise load by 1/2 nominated MBB train and arrange escorting.	
	770		BSP-JSG.	
	N. B.—Eastern Exp. (Bi-weekly) over entire divn. Freight Chief Exp. (Daily) over entire Divn.			
KGP	APOLO 2 APOLO 6	}	NMP-SHM	
			Division should try to send all SHM loads by these two nominated trains.	
	502		KGP-PDPK-SHM	
	SHM Exp.		KGP-PDPK	
	SO Exp.		KGP-BHC	
	Foodgrains Spl.		KGP-KIG	
			NMP-BHC	
	Freight Chief Exp		KGP-PDPK	
	Eastern Exp.		KGP-PDPK	
	Iron & Steel Spl.		NMP-BHC	
	591		KGP-TATA	
	597		} Division should try to send all Tata Goods Shed loads & other vulnerable goods for Tata area by these two nominated trains. In case of excess load it may be sent by other train after making necessary arrangement for escort.	
	697			KGP-ADA
	699			KGP-ADA
	CTC Spl.			NMP-CTC
	KUR Spl.		NMP-KUR	
KUR	A. During day and night.			
	SHM Express	}	Over entire Divn.	
	SO Express			
	OTM Pilot			
			CTC-CBTA and back.	
	B. Night only in vulnerable section.			
	D.523		BHC-KUR	
			Carrying coal & Iron materials from BISCO.	
	D.525, D.527		BHC-KUR	
			Iron materials from Durgapur and Burnpur.	
	1221		BHC-KUR	
			General merchandise and miscellaneous goods.	
	S.R. Spl.		BHC-KUR	
			Iron materials from Tata.	

1	2	3	4
	D.519	KUR-PSA	Miscellaneous goods
	D.521	KUR-PSA	Iron & Steel Coal.
	D.514	PSA-KUR	Wagons contg. Sugar.
	D.NMP	KUR-BHC	Cigarette, Tobacco & Misc. goods.
	1222	PSA-KUR	All valuable general merchandise and vulnerable goods.
	D.NMP	KUR-BHC	Wagons contg. Sugar, cigarette & foodgrains for all sections other than Calcutta area.
<i>C. On and of escorting.</i>			
Foodgrains Spl. ex. VZT as and when ordered to move over the entire division.			
WAT	SO Express, SHM Express NMP Trains, 538, RD	} to be escorted day and night over the entire division.	
	VZT Local—between WMY and VZT and goods shed area (to be escorted day & night).	} Wagons contg. valuable & vulnerable commodities.	
NGP	Freight Chief Spl. Eastern Exp. & Foodgrains Spl.	} To be escorted over the entire Divn.	

## IDENTIFIED SPORTS OF CRIME

### A. Section affected

#### Division

KGP	(1) Mechada—Kolaghat (2) Nimpura—Gokulpur (3) Kokpara—Chakulia
ADA	(4) Burnpur—Asansol. (5) Outside signal Damodar (6) Gomoh—Khondih (7) Mahishila—Damodar.
CKP	(8) Mahalimurup—Sini. (9) Sini—Gamaria—Kandra—Chandil.
NGP	(10) Outside Home signal.
WAT	(11) Kurkunda—Vizianagram.

*B. Yards affected**Division*

KGP	(1) Shalimar (2) KGP Yard (3) Contai Road (4) Bagnan (5) Benapur
ADA . . .	(6) Bhaga (7) Kunki (8) Ranchi Station Yard (9) Bhojudih. (10) Anara
CKP	(11) Bandamunda Marshalling Yard. (12) Jhinkpani Station Yard. (13) Chakradharpur Station Yard. (14) Tata Marshalling Yard.
BSP	(15) Raipur Yard. (16) Bhilai Marshalling Yard. (17) Bilaspur Yard.
NGP	(18) Gondia Station Yard.
WAT	(19) Waltair Marshalling Yard.

---