

**ESTIMATES COMMITTEE**  
**(1978-79)**

**(SIXTH LOK SABHA)**

**THIRTY-NINTH REPORT**

**MINISTRY OF RAILWAYS**  
**(RAILWAY BOARD)**

**[Action taken by Government on the recommendations contained in the Nineteenth Report of the Estimates Committee (Sixth Lok Sabha) on the Ministry of Railways (Railway Board)—Loss and Damage Claims on Indian Railways.]**

*Presented in Lok Sabha on 27 April 1979*



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**NEW DELHI .**

*April, 1979/Vaisakha, 1901(S)*

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## CORRIGENDA

THIRTYNINTH REPORT OF ESTIMATES COMMITTEE ON THE ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE NINETEENTH REPORT ON MINISTRY OF RAILWAYS (RAILWAY BOARD) - LOSS AND DAMAGE CLAIMS ON INDIAN RAILWAYS.

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## INTRODUCTION

I, the Chairman of the Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present this Thirty-ninth Report on action taken by Government on the recommendations contained in the Nineteenth Report of the Estimates Committee (Sixth Lok Sabha) on the Ministry of Railways (Railway Board)—Loss and Damage Claims on Indian Railways.

2. The Nineteenth Report was presented to Lok Sabha on 25 April, 1978. Government furnished their replies indicating action taken on the recommendations contained in that Report between 16 November, 1978 and 30 March, 1979. The replies were examined by the Study Group 'J' of Estimates Committee (1978-79) at their sitting held on 23 April, 1979. The draft Report was adopted by the Estimates Committee (1978-79) on 25 April, 1979.

3. The Report has been divided into the following Chapters:—

I. Report.

II. Recommendations|Observations that have been accepted by Government.

III. Recommendations|Observations which the Committee do not desire to pursue in view of Government's replies.

IV. Recommendations|Observations in respect of which Government's replies have not been accepted by the Committee.

V. Recommendations|Observations in respect of which final replies of Government are still awaited.

4. An analysis of action taken by Government on the recommendations contained in the 19th Report of the Estimates Committee is given in Appendix. It would be observed therefrom that out of 102 recommendations made in the report, 68 recommendations i.e. 66.7 per cent have been accepted by Government and the Committee do not desire to pursue 15 recommendations i.e. 14.7 per cent, in view of Government's replies. Replies of Government have not been accepted by the Committee in respect of 11 recommendations i.e. 10.8 per cent. Final replies of Government in respect of 8 recommendations i.e. 7.8 per cent are still awaited.

NEW DELHI: ...  
April 26, 1979.  

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Vaisakha 6, 1901 (Saka).

SATYENDRA NARAYAN SINHA,  
Chairman,  
Estimates Committee.



## CHAPTER I

### REPORT

1.1. This Report of the Estimates Committee deals with the action taken by Government on the recommendations contained in their Nineteenth Report (Sixth Lok Sabha) on the Ministry of Railways—Loss and Damage claims on Indian Railways.

1.2. Action taken notes have been received from Government in respect of all the recommendations contained in the Report.

1.3. The action taken notes on the recommendations of the Committee have been categorised as follows:—

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

Sl. Nos. 1, 2, 5, 6, 11, 12, 14, 15, 17, 18, 19, 20, 22, 23, 25, 26, 27, 29, 30, 31, 34, 36, 38, 41, 42, 47, 48, 50, 53, 54, 55, 56, 57, 58, 59, 60, 62, 63, 65, 66, 68, 69, 70, 71, 74, 75, 76, 77, 79, 81, 83, 85, 86, 87, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99 and 100.

(Total 68—Chapter II)

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

Sl. Nos. 3, 8, 16, 21, 24, 39, 43, 53, 61, 64, 67, 72, 73, 78, and 82.

(Total 15—Chapter III)

(iii) Recommendations|observations in respect of which Government's replies have not been accepted by the Committee:

Sl. Nos. 4, 37, 40, 44, 45, 52, 80, 84, 88, 191 and 102.

(Total 11—Chapter IV)

(iv) Recommendations|observations in respect of which final replies of Government are still awaited:—

Sl. Nos. 9, 10, 13, 28, 32, 33, 35 and 46.

(Total 8—Chapter V)

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

## *Booking of consignments*

### **Recommendation Sl. No. 4 (Paragraph 2.24)**

1.5. The Committee had desired that the Railway should make institutional arrangements to detect cases of delay in the issue of RRs not only in Calcutta dock areas but also in all other Zones and streamlines the working of the booking offices where delays took place so as to ensure that, as required under the rules, RRs were issued the same day or in exceptional cases, the next day.

1.6. In their reply the Ministry have stated that the recommendations of the Committee have been noted. They have further added that there have been some delay in the issue of Railway Receipts at Kidderpore and Netaji Subhash Chandra Bose Docks (Calcutta), because loading is done from different points in the dock area, which is a widespread area consisting of a very large number of sidings, and the Railway Receipts are issued from a centralised office. Unless full particulars of loading are received from the loading points, Railway Receipts cannot be issued by the centralised office.

**1.7. The Ministry's reply is incomplete as it has not dealt with the Committee's recommendation to make institutional arrangements to detect cases of delay in the issue of RRs. The Committee, therefore, reiterate their earlier recommendation and would stress that the Railways should take urgent steps to make institutional arrangements to detect cases of delay in the issue of RRs not only in Calcutta dock areas but also in all other zones and streamline the working of the booking offices where delays take place so as to ensure that as required under the rules, RRs are issued the same day or in exceptional cases, the next day.**

## *System of labels on wagons*

### **Recommendation Sl. No. 37 (Paras 3.104 and 3.105)**

1.8. After witnessing a practical demonstration of the labelling system, the general feeling of the Committee was that of the three systems suggested by traders, viz, Metallic label, sticker and stencil, stencil was the simplest and also the cheapest method of indicating the name of destination station at the wagon. It was also easy to blot out the stencilled names after the arrival of the wagon at the destination and restencil the name of new destination on it. The Committee, however, found that the Ministry of Railways did not consider the suggested systems "practicable" in view of their experience with "stickers" which once fixed by the traders on the wagon were stated to be seldom removed and thus led to misdespatching of wagons. They also feel that the suggested systems would involve huge expenditure on material and staff and in any case would not be successful.

..

1.9. The representative of the Ministry also stated in evidence that the system of stencilling the name of destination station was tried by one Railway in 1970 but as the staff failed to obliterate the destination station name after unloading, it also resulted in misdespatch of the wagons and had, therefore to be given up. The representative of the Ministry added that "It is costly experiment. If you like us to try it again, we will try it again. I do not know how many lakhs of rupees will go down the drain." The Committee regretted to observe that an apparently good system of labelling was given up not because of any inherent defect but admittedly because of the failure of the Railway staff in carrying out elementary instructions for which the supervisory level of officers also had to bear responsibility. The Committee observed that a correct evaluation of this system would be possible only if it was tried at carefully selected stations with adequate advance preparation and with suitable safeguards like making the consignors responsible, in their own interests, for blotting out the old destination names and stencilling names of new destination stations at their own cost which would also have a consequential advantage of generating new self-employment opportunities for painters etc. at each such station.

1.10. In their reply the Ministry have stated that recommendation envisages that the names of destination station should be painted on the wagons at the forwarding station by the consignor and the same should be obliterated at the destination station by the consignee and for fresh loading the name of the new destination station repainted thereon after loading.

1.11. It may be stated in this connection that it will not be practicable to allow outsiders, be they consignors or consignees, to paint the name of destination station on the wagons. By painting and repainting names of stations on wagon bodies, at a particular nominated area by private parties the paint is likely to become thick and appear shabby, and make the letters indistinguishable. This may cause further delay and greater misdespatch of wagons instead of ensuring wagons to reach their correct destinations.

1.12. Moreover, it may be pointed out that the number of wagons mis-despatched or unconnected is extremely small in comparison to the total number of wagons despatched. The present machinery for connection of the wagons with the help of computer channels, interchange records, circulations of statements of all iron and steel consignments loaded by Steel Plants and the other normal tracing machinery through tracers and Inspectors and well as control phones, is quite adequate. Under the circumstances, instead of allowing the private parties to stencil names of destination stations on all booked wagon bodies whose number is very large, it would be better if the scheme of embossing the station name on metal tape seals is given a trial and if found successful adopted. The metal tape seals contains the embossed names of the forwarding as well as destination station

and is not likely to be lost, mutilated or easily detached from the wagons during the course of transit. The trials regarding metal tape seals are being undertaken with the help of the Research Design and Standard Organisation of the Railways.

1.13. The Committee are not convinced with the reply furnished by the Ministry which does not contain any new fact not already considered by the Committee before making their recommendation. They would like to reiterate their earlier recommendation. They would urge that the new procedure suggested by them may also be given a trial on a selective basis and the Committee apprised of the success or otherwise of the system.

*Tracing of missing wagons*

**Recommendation Sl. No. 40 (Paragraph 3.108)**

1.14. The Committee had observed that the present systems of labelling of wagons and working of machinery responsible for tracing and linking of missing wagons are not as efficient and effective as the authorities think they are. The Committee had desired that the present system should be critically reviewed and steps taken to plug the loopholes and streamline their working.

1.15. In their reply, the Ministry have stated that the Railways' procedure for labelling, sealing and checking of loaded wagons at stations and yards is quite adequate. In case of occasional or accident loss of labels due to inclement weather or other factors, elaborate machinery exists to link these wagons with correct particulars with the help of wagon summaries, use of control phones and tracing by inspectors, where necessary. In this direction significant progress has been made by the use of computer in linking unconnected wagons or tracing missing wagons.

1.16. The use of metal tape seals when perfected on trial will further minimise chances of the loss of labels and prevent wagons getting unconnected or mis-despatched.

1.17. The Committee do not accept the Government stand that the existing procedure for labelling, sealing and checking of loaded wagons is quite adequate. If it were so, thousands of wagons would not be lost and remain unconnected every year. The Committee would like to reiterate the existing procedures for labelling and checking of wagons etc. should be critically reviewed and steps taken to plug the loopholes and streamline their working.

*Reweighment of consignments*

**Recommendation Sl. No. 44 (Paragraphs 3.124 & 3.125)**

1.18. The Committee were informed that reweighment of consignments in each and every case was not considered feasible by the Railways.

1.19. The Committee saw no reason why reweighment of small consignments for which facilities were available at every station, should be refused at all. The Committee recommended even in respect of consignments which did not bear any outward sign of pilferage or damage, requests for reweighment should be granted to satisfy the consignees; if necessary, in such cases, in order to discourage frivolous requests, a re-weighment fee might be charged.

1.20. In their reply the Ministry have stated that instructions already exist that requests for reweighment of consignments at destinations are to be considered on the merits of each case and that genuine requests for reweighment are complied with promptly. On a representation by the Steel Authority of India recently, for allowing reweighment of Steel consignments for the benefit of small consumers and to minimise hardship to the consignees of iron and steel consignments, instructions have been reiterated to ensure reweighment in all deserving cases.

1.21. In the case of wagonload consignments reweighment entails considerable detention to stock thereby reducing the availability of wagons for further loading. Moreover, in some places there are no weighbridges and if the requests for reweighment are invariably agreed to, the loaded wagons will have to be hauled to different yards, weighed and brought back to the booked destinations.

1.22. The request for reweighment of wagonload consignments are therefore carefully considered and reweighment granted only in those cases where *prima facie* evidence of pilferage shortage exists. There is already a provision for charging reweighment fee to discourage frivolous requests.

1.23. It may however be pointed out that reweighment in case of intact packages would cause complication due to weight difference in weighing scales. There is also possibility of showing excess weight at booking stations in collusion with staff. Moreover at larger stations reweighment of all intact packages would cause delay in deliveries and result in congestion. Hence reweighment is allowed in deserving cases.

1.24. The Committee are not convinced with the reply given by the Ministry that requests for reweighment of consignments at destinations are to be considered on the merits of each case. The Committee would like to reiterate their earlier recommendation that there is no reason why reweighment of small consignments for which facilities are available at every station, should be refused at all. Even in respect of consignments which do not bear any outward sign of pilferage or damage, requests for reweighment should be granted to satisfy the consignees.

#### *Weighbridges*

#### **Recommendation SI, No. 45 (Paragraph Nos. 3.126 & 3.127)**

1.25. The Committee had felt that all major stations which had a heavy originating or terminating goods traffic should progressively be provided with facilities for weighing wagons. If suitable incentives

were given, the Committee had no doubt that local trading interests at unloading points might agree to install wagon weighing equipment at their own cost in the same way as they had done at loading points. The Committee recommended that the Ministry of Railways should take initiative and draw up a model scheme in this regard and encourage Zonal and Divisional authorities to explore the possibility of setting up community weighbridges in collaboration with the organisations of local traders and industrialists for a more harmonious relationship between the big consignees and the Railways.

1.26. In their replies, the Ministry have stated that the main purpose of weighing of wagons at the originating points is to ensure that the wagons are loaded only up to the prescribed limit because any overloading beyond this limit will be a safety hazard. It is with this objective that the Railways launched the scheme of weighing rebate on weighbridges installed by the siding owners. The Railways cannot instal weigh-bridges of the requisite capacity at all loading points. Nevertheless, the Railways on their part also plan, procure and instal weigh-bridges within the limited resources at their disposal. Unless the wagons are weighed at the loading points, it will not be possible for the Railways to adjust overloaded wagons and ensure despatch of only those wagons which are loaded upto the prescribed limit. This purpose cannot be achieved by providing weigh-bridges at unloading points. Under the Rules in the Goods Tariff reweighment of consignments is permitted only in special cases and only when the outward condition of the consignment indicates shortage. In other cases, reweighment is normally not permitted, whenever the Railways agree to reweigh the consignments at the destination; necessary reweighment charges are collected and the wagons are hauled to a station where the weigh-bridge is available and are re-weighed at such points. However, Railways cannot agree to reweigh all the consignments loaded in wagons as it will result in heavy detention to wagons which will increase turn-round of wagons and result in reduction of wagons and result in reduction of transport capacity on the railway which in turn will have very serious affect on the national economy,

**1.27. The Committee are not satisfied with the reply given by the Ministry. The Committee have not been told as to why the Railways are averse to the idea of encouraging local trading interests to instal community weighbridges at stations where there is heavy originating or terminating goods traffic. They would like to reiterate their recommendation for drawing up a model scheme to explore the possibility of setting up community weighbridges in collaboration with Organisations of local traders and industrialists for a more harmonious relationship between the big consignee and the Railway.**

#### *Railway Protection Force*

#### **Recommendation Sl. No. 52 (Paragraphs 4.36 & 4.37)**

1.28. The Committee had noted that the primary function of the Railway Protection Force was to guard and protect public property

entrusted to Railway for carriage and also the property belonging to the Railways. The Railway Protection Force is also responsible for the prevention of crime resulting in payment of claims compensation.

1.29. The Committee had noted that the railways had a total force of 64,000 RPF personnel. They regret to observe that thefts etc., of consignments take place even from trains escorted by RPF personnel. While explaining the incidence of thefts etc., even from trains escorted by RPF, the Ministry of Railways have stated that this is partly because of "inadequate deployment of escorting staff due to insufficient manpower of RPF." The One-Man Expert Committee which went into the question of growth and organisation of RPF has also come to the conclusion that "the force is inadequate to meet the requirement of the present day volume of traffic". The study made by the One-Man Expert Committee had revealed that the RPF personnel were also required to perform duties which did not fall within the scope of their operations as visualised in the Railway Protection Force Act. It was found by the Expert Committee that during the period of 6 months from March to August, 1975, on an average 4256 RPF personnel were employed on unsanctioned and unscheduled duties. The diversion of such a large force from their main job and their deployment elsewhere in the face of reported insufficiency of manpower of RPF showed that the Railways had not been taking as much care of public property entrusted to them for carriage as they could and should have taken or as Parliament expected them to take while sanctioning funds for the maintenance of this Force. The Committee observed that the withdrawal of RPF personnel from property protection work was not at all desirable and such a practice must be stopped.

1.30. In their reply, the Ministry have stated that diversion of RPF personnel from their normal charter of duties becomes unavoidable at times due to certain situations. During 1977 when several cases of tampering with the track involving derailment of some trains came to notice the State Governments were requested to undertake patrolling of the track. The States expressed their reluctance on grounds of inadequate strength of GRP, financial constraints etc. Safety being their prime consideration the Railways had to deploy 11,000 RPF men on track patrolling duties which yielded encouraging results. Similarly when dacoities/robberies showed an increasing trend in some of the States grave concern was expressed in all forums of Public opinion including the Parliament. Here again due to inadequate strength of the GRP the States were not in a position to step up police protection in the affected trains over vulnerable sections. As a measure to instill confidence among the travelling public and deter criminals, over 2,000 RPF personnel have been deployed to escort passenger trains. This arrangement may have to be continued till the states were in a position to deploy adequate police force on passenger trains, which function appropriately falls within the purview of the State Governments.

1.31. While the Committee do not dispute the necessity of providing police escort to passenger trains to prevent dacoities/robberies in running trains and of patrolling railway track against attempts of sabotage, they do not agree that all this should be done at the cost of public property entrusted to Railways for carriage whose protection is the statutory duty enjoined upon the R.P.F.

1.32. The Committee, therefore, reiterate that the withdrawal of RPF personnel from the property protection work in disregard of their statutory duties is not at all desirable and should be stopped.

*Publishing of information regarding settlement of claims in the Annual Report*

**Recommendation Sl. No. 80 (Paragraphs 5.56 & 5.57) . .**

1.33. The Committee were happy to note that the number of claims pending for over 3 months in 1976-77 was the lowest in last 5 years though they could not reconcile it with the fact that the average time of 55 days taken to settle claims in this year was the highest. The Committee had felt that if continuous improvement had to be ensured so as to achieve the target of settling claims within an average period of 30 days and a maximum period of 42 days, the Railway Board should keep the performance of claims settlement organisations of Zonal Railways under constant review and not relent until each one of the Zonal Railways reached the targetted level of efficiency and was in a position to maintain that level.

1.34. The Committee had observed that it would be helpful if the details of average time taken in the settlement of claims zone-wise are published in the Annual Report of the Ministry of Railways.

1.35. In reply the Ministry have stated that as per the recommendation of Railway Convention Committee the format and contents of the Indian Railways' Annual Report have been changed since 1972-73 to give a review of the performance of the Indian Railways as a whole instead of railwaywise. However, details of the average time taken in the settlement of claims zone-wise are published in the Annual Report of the individual Railways, which are scrutinized by the Ministry of Railways also. Railway Board is keeping a constant watch on the performance of Claims Settlement Organisations of all zonal Railways to ensure that each Zonal Railway achieves the targetted level of average period of 30 days and a maximum period of 42 days for the settlement of claims. Actually a very large number of cases of smaller valuation are settled promptly in much less than 30 days.

1.36. The Committee are not convinced with the reply given by the Ministry. If details of the average time taken in the settlement of claims zone-wise can be published in the Annual Report of the individual Railways, there is no reason why it is not possible for the Ministry



**of Railways to publish the consolidated information in the Annual Report of the Ministry. The Committee would like to reiterate their recommendation that the details of average time taken in the settlement of claims zone-wise should be published in the Annual Report of the Ministry of Railways.**

*Appeals against Court decrees*

**Recommendation Sl. No. 84 (Paragraph 5.61)**

1.37. The Committee had recommended that a time limit should be fixed within which a judgment of the court after receipt of a copy thereof is scrutinized and decisions taken as to whether or not an appeal has to be filed against the decree of the court. Without such a time limit the matter within the Department may not be pursued with due sense of urgency and any delay at this stage will be doubly unfair to the claimant if, after having lost his consignment and won the court case, he is required to wait indefinitely for receiving payment.

1.38. In their reply, the Ministry have stated that the observation made by the Committee has been noted. The instructions to the Zonal Railways already exist that decrees relating to compensation claims should be satisfied promptly. With a view to ensuring that court decrees are satisfied without delay, the Railways have been further directed to maintain a decree register for watching satisfaction of decrees promptly. The instructions have been reiterated to the Zonal Railways for compliance.

1.39. When a court judgement alongwith a decree is handed over to the Railway the time limit is already laid down within which an appeal can be filed and the decree has to be satisfied. Any delay in scrutiny etc., debar the Railway from filing an appeal. Therefore, all efforts are made to scrutinise and decide the acceptance or otherwise of the court judgement within the limited period stipulated. Special instructions have already been issued to satisfy the courts decrees in time, failing which attachment orders can be issued against the Railway property causing much embarrassment to the Railway Administration.

1.40. The Committee are not satisfied with the Ministry's reply which is evasive and not to the point. The Committee are aware that a period during which an appeal can be filed against the court decree is already laid down in the relevant statute. What the Committee had desired was that in order to avoid harassment to a decree-holder claimant, it should not be necessary to keep him waiting for the full period allowed for filing appeal and that the decree of the court should be studied within a shorter time-limit to be fixed by the Department and the decision on whether or not an appeal should be filed against the decree taken within the time limit thus fixed. The Committee reiterate their recommendation and desire that early action be taken to fix a time-limit in the matter.

## *Rejection of claims.*

### **Recommendation Sl. No. 88 (Paragraph No. 5:70)**

1.41. From the statistics furnished by the Ministry, the Committee had found that out of over 6 lakhs claims received every year during the four years from 1972-73 to 1975-76, only about 3 lakhs claims were settled by payments during each of the respective years. It appeared that a very large percentage of claims were rejected every year, and the amount of compensation was substantially reduced even in those cases where claims were admitted. The Committee felt that the rejection rate appeared to be rather abnormal especially when it is viewed in the background of the amount of compensation paid *vis-a-vis* the amount claimed. The Committee recommended that the Ministry of Railways should make a study of this phenomenon to satisfy themselves as well as the business and trading circles that the claims were not arbitrarily repudiated or reduced.

1.42. In their reply, the Ministry have stated that the recommendation of the Committee has been noted and suitable instructions have been issued to the Zonal Railways neither to repudiate claims arbitrarily nor reduce the amount unjustifiably without proper verification. A special watch is kept by the Ministry on the performance of the Railways in this regard.

1.43. The Committee are not satisfied with the Ministry's reply which is evasive and incomplete. The Committee reiterate that the phenomenon of the high rate of rejections of claims and reduction of claims amount be studied immediately to see that the claims are not rejected or reduced arbitrarily and the results of the study communicated to the Committee.

### *Claims Tribunal*

### **Recommendation Sl. Nos. 101 & 102 (Paragraphs 5.136, 5.137, 5.138 & 5.139)**

1.44. A suggestion was made to the Committee by private and public organisations that claims tribunal or an independent authority might be established to hear appeal against the decisions of claims officers or 'Sole Arbitrators' might be appointed to decide disputes relating to claims. The idea underlying the suggestion was that litigation in courts of law should be avoided. The Ministry had stated that the number of cases taken to courts is not unduly large to justify setting up of any special machinery for dealing with such cases. The Ministry have also pointed out some legal difficulties in entrusting any new responsibilities in regard to claims disputes to the already existing Railway Rates Tribunal.

1.45. The Committee had felt that the proposal to entrust the work of hearing appeals in high value cases, to start with, against

claims officers to a new Tribunal or to the already existing Railway Rates Tribunal by enlarging its jurisdiction merited a more dispassionate examination, especially when it had been widely welcome by Zonal Railways and the representatives of trade and industry.

1.46. In their reply, the Ministry have stated that the Committee have recommended that the Ministry should study comparative economics of the two alternatives—enlarging the statutory jurisdiction of the Railway Rates Tribunal or the setting up of a new tribunal at the Centre with powers to hold benches at Zonal headquarters, if necessary to deal with high value cases, to start with.

1.47. This recommendation has been carefully examined. The Legal Advisers to the Railway Board have opined that confining the appeals to a tribunal in cases involving high value only would be open to objection on the ground of discrimination unless an (intelligible) differentia can be established between cases which come under the category of high value and those left out. In that connection it has been pointed out that it is difficult to see any intelligible differentia because all the cases pertaining to claims are of the same nature and valuation as such does not afford a criterion. Thus Article 14 of the Constitution would be violated if an appellate tribunal is to be constituted to deal with cases involving high value only.

1.48. From the administrative point of view, the constitution of an appellate tribunal to deal with the claims after they have been decided by officers of railways would also mean that there would be a hierarchy of claims officers who would decide the disputes initially in a quasi-judicial manner. In other words, these claims officers would function as the lower tribunals with all the trappings of a court and the appeals against the speaking orders pronounced by them would be heard by the appellate tribunal.

1.49. Alternatively if the claims organisations are to function as they do at present, any person aggrieved by an administrative decision of the claims organisation will instead of approaching a civil court have to file his claim before a claims tribunal. This would involve the establishment of a large number of tribunals with original jurisdiction with at least one appeal to the High Court.

1.50. In the circumstances, the Ministry of Railways submit that any scheme which would involve a complete displacement of the existing procedures does not appear to be feasible of implementation.

1.51. The Committee are unhappy to note that the Ministry have not approached the problem in an objective and constructive manner. The Ministry have merely tried to defend the status quo without showing any concern for the harassment caused under the present procedures which are expensive and time-consuming. The Committee would like to reiterate that either a new Tribunal be set up to hear

**appeals in claims cases of high value, to start with, or the statutory jurisdiction of the already existing Railway Rates Tribunal be enlarged to enable it to hear appeals against such claims cases.**

*Implementation of recommendations*

**1.52. The Committee would like to emphasize that they attach the greatest importance to the implementation of the recommendations accepted by Government. They would, therefore, urge that Government should ensure expeditious implementation of the recommendations accepted by them. In case where it is not possible to implement the recommendation in letter and spirit for any reason, the matter should be reported to the Committee in time with reasons for non-implementation.**

**1.53. The Committee would like to draw attention to their comments made in respect of replies of Government to recommendations at Serial Nos. 6 and 30 (Chapter II). They desire that Government should take action in pursuance thereof and furnish the requisite information to the Committee, wherever specifically called for.**

**1.54. The Committee also desire that final reply in respect of the recommendations contained in Chapter V of this report may be furnished to the Committee expeditiously.**

## CHAPTER II

### RECOMMEDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT.

#### Recommendation Sl. No. 1 (Para Nos. 1.18 and 1.19)

The statutory responsibility of railways for the loss, destruction or deterioration of goods delivered to them for carriage dates back to the year 1890 when the Indian Railways Act came into force. The Act laid down that the responsibility of the Railways will be that of a bailee who is bound to take as much care of the goods bailed to him as a man of ordinary prudence would under similar circumstances take of his own goods of the same bulk, quality and value as the goods bailed. The Railways Freight Structure Enquiry Committee, set up in 1955 under the Chairmanship of Dr. A. Ramaswamy Mudaliar, recommended that, *inter alia*, the railways should assume the liability of common carrier instead of that of a bailee in respect of goods delivered to them for carriage. In pursuance of that recommendation the Indian Railways Act was amended in 1961 and the Railways assumed the common carriers' liability with certain reservations with effect from 1st January, 1962. Under the amended Act the Railways are responsible for the loss etc., of consignments entrusted to them for carriage arising from any cause except 9 specific causes mentioned in the Statute (act of God; act of war; act of public enemies, arrest, restraint or seizure under legal process; orders or restrictions imposed by Central or State Government; act or omission or negligence of the consignor or consignee; natural deterioration or wastage in bulk or weight due to inherent defect, quality or vice of the goods; latent defects; and fire or explosion or any unforeseen risk). Even in respect of these 9 exceptions the Railway administration is not relieved of its responsibility for the loss etc., unless it further proves that it has used reasonable foresight and care in the carriage of goods.

The Committee find that during the period of 4 years from 1971-72 to 1975-76 the railways received 6-7 lakhs claims per year for compensation on account of loss and damage of consignments. In 1976-77, the number of claims received by Railways showed a sharp decline to 377129. During all these 5 years the railways were held responsible for the loss and damage caused to consignments in 45 to 49 per cent of the cases for which they had to pay a compensation of Rs. 12 to Rs. 15 crores a year. What pains the Committee is the fact that over 71 per cent of the claims admitted by the Railways arose out of loss, theft and pilferage of consignments even when the Railways have a large army of RPF personnel to protect and

guard the public property entrusted to their charge. The Committee are not prepared to accept that this loss is wholly unavoidable.

### Reply of Government

The observations of the Committee have been noted. The Indian Railways are fully alive to their responsibility for safe carriage of goods entrusted to their care and are relentlessly striving to ensure that the consignments reach their destination without pilferage, theft, damage or delay in transit. The Railways attach paramount importance to the attainment of this objective not only to save drainage of revenue in the form of payment of compensation but also to earn precious goodwill of their customers. The Ministry of Railway would also like to assure the Committee that the Railways would spare no efforts to ensure safe carriage of essential and scarce commodities while these are in their custody.

For this purpose the following preventive measures have already been adopted and have been intensified:—

1. Proper rivetting and locking of wagons carrying valuable goods.
2. Seals on wagons are checked at important yards to localise thefts.
3. Trains carrying valuable consignments/foodgrains are escorted by Railway Protection Force in vulnerable sections.
4. Railway Protection Force personnel are deputed for track patrolling in vulnerable sections/places endemic for running train thefts.
5. Important and vulnerable yards are patrolled round the clock and guarded by armed Railway Protection Force Personnel.
6. Yards, vulnerable for high incidents of thefts are also patrolled by Dog Squads of Railway Protection Force.
7. Checking of rivets and seals of all loaded wagons at transshipment points is done before they are unloaded and transhipped.
8. Staff of Crime Intelligence Branches of the Zonal Railways and the Central Crime Bureau of Railway Board are deployed to collect crime intelligence with a view to tracking down criminals and receivers of stolen property and also to organise raids.
9. All important goods sheds and platforms are guarded by RPF.
10. Close coordination between Railway Protection Force and Government Railway Police and Civil Police is maintained to exchange criminal intelligence.

11. Drives against thefts and pilferages are also organised on all India basis.
12. Escorting of goods trains carrying iron and steel, food-grains, sugar, oilseeds, etc. by Railway Protection Force armed personnel in vulnerable sections.
13. Insistence on provision of dunnage to protect flap doors in case of wagon load consignments of sugar, grains, pulses, oilseeds etc.
14. Use of nuts and bolts for rivetting wagons loaded with valuable goods.
15. Proper maintenance of wagons so that incidents of sickness of wagons resulting in detention and transshipment is minimised, and pilferage through doors and body-holes is reduced.
16. Proper supervision and careful tallying of packages during loading and unloading operations.
17. Prompt fixation of staff responsibility.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978]

**Recommendation Sl. No. 2 (Para Nos. 1.20 and 3.40)**

The Committee also find that essential commodities like grains, pulses, sugar, cement, iron and steel, edible oil, coal are amongst the main commodities which have been lost or damaged in rail transit. Payment of compensation of Rs. 12 to Rs. 15 crores in a year on account of loss and damage of goods is by any standard a heavy drain on the national finances. But what pains the Committee more is that, every year commodities worth about Rs. 15 crores are admittedly lost, and over and above, commodities worth about the same amount are allegedly lost while in rail transit, thus depriving the community of a vast quantity of essential and scarce agricultural and industrial products which the country can ill-afford to lose at this stage of its economy. The Committee wish to emphasise that the Railways should view this problem not merely in terms of money but also as a national loss which can undoubtedly be minimised, if not completely eliminated, if adequate and effective measures are taken to protect and guard the Railway consignments due sense of seriousness is displayed in following and enforcing these measures by all those persons who are charged with the responsibility of ensuring safe storage and carriage of the goods.

In Chapter I of this report, the Committee have already drawn attention of the Ministry of Railways to the fact that in 45 to 49 per

cent of the cases during the last 5 years. Railways have been held liable for the loss and damage caused to goods while in their custody for which they had to pay a compensation of Rs. 12 to 15 crores per year. Needless to say, apart from the loss and damage caused to goods being a heavy drain on Railway finances, it also shows that the country is losing a huge quantity of essential commodities like grains, pulses, sugar, cement, fertilisers, edible oils which it can ill-afford to lose in the present times of shortages and imbalances. The Committee would therefore like to reiterate that the Railways should spare no effort to ensure safe carriage of essential and scarce commodities while these are in their custody and thereby save themselves as well as the nation of huge loss in cash and kind.

### **Reply of Government**

The observations of the Committee have been noted. The Railways are undertaking special measures and making specific efforts to prevent loss and theft of essential commodities like grain, pulses sugar, cement, iron and steel, edible oil and coal etc. The commodity-wise analysis of claims paid on all these important commodities is compiled on all Railways and necessary preventive action taken at vulnerable areas to prevent thefts and pilferages of these commodities.

Major yard and goods sheds are protected by the Railway Protection Force and block rakes of grains and pulses and high rated commodities are being escorted by the RPF staff over vulnerable sections. Frequent raids are being conducted by the RPF personnel to apprehend and prosecute the receivers of stolen property and other criminals. Action is also being taken to intensify the patrolling and conduct surprise raids at vulnerable points.

It may also be stated that deterrent action commensurate with the gravity of offence is taken against any Railway staff conniving with pilferage and thefts of booked consignments.

As a result of these preventive measures and all round vigilance exercised by the Railway staff the amount of compensation paid during the first half of the current financial year *i.e.* April to September, 1978-79 is reduced from Rs. 7.36 crores to Rs. 5.70 crores, a reduction of Rs. 1.65 crores, which works out to 22.5 per cent, when compared to the corresponding period of last year.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978]

### **Recommendation Sl. No. 5 (Para No. 2.25)**

The Committee are informed that while the RR is handed over to the consigner, the booking staff is also expected to send an invoice copy of the RR to the receiving station to enable it to identify and hand over the consignment to the consignee. But this, it has been brought to the Committee's notice, is not always done with the result that in some cases the consignments can be neither located nor



taken delivery of an indemnity bond. The Committee would like the Railway authorities to make sure that the procedure prescribed in this regard is followed at all booking stations without fail.

### **Reply of Government**

Instructions in this regard already exist under Rule 1454(a) of the Indian Railway Commercial Manual, Vol. II. By and large these instructions are being followed by the railway staff at booking stations in sending the invoice foils intended for the destination stations. However, the Committee's observations have been noted and necessary instructions have once again been reiterated to the Zonal Railway as desired.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978]

### **Recommendation Sl. No. 6 (Para 2.26)**

The Committee note that the most common complaint regarding the issue of RRs is that clear RRs are not issued by Booking Stations in a large number of cases. Such RRs are qualified by endorsements like "said to contain", "loading done by party", "P-17 not complied with" etc. According to the Chairman, Food Corporation of India, clear RRs are not issued in case of 75 per cent wagons. It has been represented to the Committee by a number of private sector institutions that qualified RRs create difficulties for the traders in getting payments from parties and banks on presentation of documents of despatch. In the absence of clear RRs, the consignors/consignees are also reported to be finding it difficult to establish shortages and claim compensation. According to the Ministry of Railways, clear RRs are not issued when it is not physically possible for the Railways staff to count the number of bags or packages (e.g. when these are loaded directly from the motor trucks into wagon) or when, goods, by their very nature, are such as are not countable (e.g. pig iron pieces, small timber pieces etc.) or when commodities like food-grains, fertilizers etc. are loaded in bulk in full rake loads. The Ministry have further stated that if the Railways are to supervise the loading, the bags will have to be stacked on platform, checked for packing condition etc. and then loaded under the direct supervision of tally clerks and for the purpose of issuing clear RRs, therefore, a large number of tally clerks would be required. From the statistics furnished to the Committee in respect of loadings on certain Zonal Railways, the Committee note that the number of qualified RRs issued were 1.6 per cent on Northern Railway in Dec. 77, less than 5 per cent per annum on Eastern Railway and 20 per cent on South Eastern Railway. The Committee note that in certain cases, private traders are prepared to pay for the extra staff that may be required to be engaged by Railways for issuing clear RRs or pay an extra charge that may be levied by the railways for the purpose. The Committee find that while consignors are very eager to have clear RRs which have an added

advantage of making Railway staff take greater care of their consignments, the difficulties pointed out by Railway authorities are also real though not insuperable. The Committee would like the Ministry to examine the procedure adopted on Northern Railway (where the percentage of qualified RRs is stated to be as low as 1.6 per cent), the suggestions made by various institutions to recover cost of additional staff or a prescribed charge from the consignors, the possibility of mentioning the weight and not the number where counting is not possible and see whether any or all of these remedies can be used with advantage to keep the number of qualified RRs to the absolute minimum without unduly adding to the liability of the Railway. The Committee attach a great importance to an early solution to this vexatious problem and would like to be informed of the concrete steps taken in this regard.

### Reply of Government

The recommendation has been noted. The procedure adopted by Northern Railway regarding issue of clear RRs has been forwarded to the other Zonal Railways for examination and implementation with a view that maximum number of clear RRs are issued to the customers. Issue of clear RRs in all cases also depends to a large extent on the amount of cooperation received from trading public particularly those who move consignments in bulk or train loads. Instructions already exist that adequate number of staff should be posted in the private sidings with the consent and at the cost of siding holders so that maximum number of clear RRs are issued and supervision and documentation of consignments is properly done. Instructions also exist that the staff should desist from passing qualifying remarks indiscriminately and the remarks passed on the Railway Receipts should be factual and these should be obtained from the sender or his authorised agent on the forwarding note and copied verbatim on the Railway Receipt.

Frequent meetings are also held by the Railways with customers moving traffic in bulk to explain the position in this regard and find ways and means for cooperation with each other to issue maximum number of clear RRs.

As a result of high level discussions between the Ministry of Agriculture and Irrigation the Food Corporation of India and the Railways, mutual arrangements have been arrived at a number of stations on Northern Railway where bulk loading of foodgrains takes place to provide extra staff at the cost of Food Corporation of India and to issue maximum number of clear Railway Receipts.

Similarly, in case of cement factories where bulk loading of cement takes place installation of electromagnetic device has been suggested to enable the Railway staff at the siding to count the number of bags properly for enabling them to issue clear Railway Receipts.

So far as the question of weight of consignments is concerned in case of Iron and Steel consignments, all outward consignments are weighed at the weighbridges provided at the Steel Plants. The number of pieces is shown clearly only in those cases where counting is possible, otherwise wherever possible the number of bundles are indicated. When any disturbance of packing condition or breaking of seals is noticed, Railways accepts liability for the shortages.

On account of these efforts and instructions the number of qualified railway receipts is being kept to the absolute minimum. Moreover, this recommendation is also being referred to the Railway Tariff Enquiry Committee for further examination with a view to find a mutually agreeable solution both to the Railways as well as the rail users.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978]

### **Comments of the Committee**

The outcome of the reference to Railway Tariff Enquiry Committee may be communicated to the Estimates Committee.

### **Recommendation Sl. No. 7 (Para 2.27)**

The Committee do not think it is difficult for the Railways to ensure, as demanded by the traders, that the writings on railway receipts are legible and clear not only on the first copy but also on the carbon copies. They would like suitable instructions to be issued to the booking stations in this regard.

### **Reply of Government**

Suitable instructions have been issued to the Zonal Railways to ensure that due care is exercised in the preparation of railway receipts so that the original and the carbon copies are legible and clear.

[Ministry of Railways (Railway Board) O.M. No. 78-  
BC-EC/VI/19 dated 16-11-1978].

### **Recommendation Sl. No. 11 (Para 2.31)**

The Committee note that on receipt of a number of representations in regard to issue of a separate railway receipt for each coal wagon instructions were issued by the Ministry of Railways in March, 1976 to the effect that in respect of coal wagons meant for individual parties or when the Forwarding Notes are tendered for individual wagons though a number of parties might have joined together for the sake of getting block rake allotment, separate railway receipts should be issued for the number of wagons specified in the Forwarding Notes. The Committee hope that the senior railway officers make sure during their inspection visits not only from the records but also from other sources that these instructions are duly followed at all stations.

### Reply of Government

The observations of the Committee have been noted and suitable instructions have been issued to the Zonal Railways in the matter.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 16-11-1978]

#### Recommendation Sl. No. 12 (Para 2.40)

The Committee have been assured that in view of the elaborate procedure prescribed for the registration of indent, allotment and supply of wagons, it is not necessary to form a Joint Committee of Officers and local traders, as suggested to the Committee, to review periodically the work of wagon allotment. The Committee have been informed that at every major station there is a Station Consultative Committee where trade interests using that station are adequately represented. In the view of the Ministry of Railways "If any discussion on wagon allotment and supply at such stations is at all considered necessary, this could be done during the periodical meetings of this (Station Consultative) Committee". The Committee would like that this aspect may be specifically included in the terms of reference of the Station Consultative Committee and the enlarged terms of reference duly notified to all these Committees to enable them to review this matter at their meetings.

### Reply of Government

Station Consultative Committees are constituted at big Industrial and Commercial Centres with adequate representation for trade interests using that station. They look into all facets of railway working concerning passengers and other railway users e.g. booking of goods, parcels and passengers, reservation arrangements, passenger amenities including waiting halls, waiting rooms, retiring rooms, platform shelters, catering etc.

Since the allotment and supply of wagons at a station is an essential item of goods traffic it is normally discussed at the meeting of the Station Consultative Committee. However, the observation of the Estimates Committee has been noted and communicated to the Zonal Railways for implementation.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 16-11-1978]

#### Recommendation Sl. No. 14 (Para No. 2.42)

The Committee are glad that the representative of the Ministry has agreed to the suggestion that the wagon availability position should be displayed on the Notice Boards at important stations, so that traders can know without difficulty whether or not

wagons are available at any particular point of time. The Committee would like the Ministry to take necessary steps to implement this suggestion and also to issue instructions that the number of available wagons shown on the Board at any point of time should reflect the position correctly as it develops during the day.

### Reply of Government

Zonal Railways have been instructed to implement the recommendations.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI-19 dated 16-11-1978]

### Recommendation Sl. No. 15 (Para No. 3.36)

The Committee are informed that the main factors responsible for loss and damage of Railway Consignments are, *inter alia*, defective wagons, defective designs of doors of wagons, unsuitable wagons, lack of adequate tools to handle consignments, mishandling of consignments, loose shunting of wagons, improper and inadequate packing, excessive transit time, exposure to weather conditions, misdirection of wagons, lack of adequate security and pilferage. The Ministry have stated that to ensure safe storage and carriage of consignments, attention is paid to handling of goods at the time of booking, transshipment and delivery, proper sealing and labelling of packages, maintenance of wagons in good conditions, escorting of goods trains, due precautions in packing and during monsoons and all other measures considered necessary in this process. The Committee take note of the sharp decrease in the number of claims registered and settled by payment during 1976-77 as compared to earlier years. As against 6,32,973 claims registered, 285,384 claims settled and a sum of Rs. 15.25 crores paid in settlement of claims in 1975-76, the number of claims registered and settled in 1976-77 came down to 3,77,129 and 1,85,908 respectively and the amount of compensation paid also declined to Rs. 13.56 crores. Net amount of compensation paid after deducting the sale proceeds of unclaimed/unconnected goods is stated to 0.80 per cent of total freight earning in 1976-77 as compared to 1.65 per cent in 1973-74, 1.28 per cent in 1974-75 and 1.03 per cent in 1975-76. The Committee are happy at the improvement achieved in this field during 1976-77. They, however, feel that the position can be further improved if the administrative and executive machinery at various levels is motivated to observe all instructions issued in this regard in letter and spirit and take personal and serious interest in ensuring safe carriage of consignments.

### Reply of Government

The observation of the Committee has been noted. Instructions have once again been issued to the Zonal Railways to the effect that

sustained efforts should be made to ensure safe carriage of consignments so that registration of new claims arising out of loss, destruction, damage, deterioration or non-delivery of goods could be brought down.

[Ministry of Railways (Railway Board) O.M. No. 78—  
BC-EC/VI/19 dated 16-11-1978].

### **Recommendation Sl. No. 17 (Para 3.38)**

The Committee are surprised to find that while the total amount of compensation for loss and damage of consignments paid by Railways during the year 1976-77 showed a welcome decline, the position on Northeast Frontier and South Eastern Railways showed no such improvement. The Committee would like the Ministry of Railways to look into the performance of these two Zonal Railways and help them strengthen their Claims Prevention Organisation to be able to improve the position in line with other Zonal Railways.

#### **Reply of Government**

The observations of the Committee have been brought to the notice of Northeast Frontier and South Eastern Railways with specific instruction that their claims prevention organisation should be geared up and special drive launched to reduce the incidence of new claims and consequently amount of compensation paid for loss, destruction, damage, deterioration, non-delivery, etc. of booked consignments is brought down appreciably.

[Ministry of Railways (Railway Board) O.M. No. 78—  
BC-EC/VI/19 dated 16-11-1978].

### **Recommendation Sl. No. 18 (Para 3.39)**

From the Commodity-wise analysis of Claims paid, the Committee find that, while there has been an over-all decrease in the incidence of loss and damage to consignments in 1976-77, the loss and damage of consignments of Coke, Coal and Cement have shown an upward trend and position regarding edible oils have also not shown any improvement. The Committee suggest that the Ministry of Railways should review from time to time and the Commodity-wise analysis of Claims and pay special attention to the commodities which show rising trend of losses as to control the situation.

#### **Reply of Government**

The recommendation made by the Committee has been considered. It may be stated that analysis of commodity-wise and cause-wise statistics of claims paid is already being made from time to time by the Ministry of Railways and when any deterioration is noticed, concerted efforts are made to pin point the reason and suitable remedial action is taken to arrest the trend.

[Ministry of Railways (Railway Board) O.M. No. 78—  
BC-EC/VI/19 dated 16-11-1978].

### Recommendation Sl. No. 19 (Para 3.41)

The Committee are informed that all wagons are examined before loading and leaky wagons and wagons with corroded and damaged panels are either rejected or repaired and made water tight before loading. Bitumenised gunny strips and cement and grass-compound are also used at the flap doors to protect damage by wet. Leaky wagons are not given for loading commodities liable to be damaged by wet and staff violating the instructions are punished. If that be so, it is incomprehensible why there should be proven damage by wet of such a high order as Rs. 1.96 crores in 1974-75, Rs. 1.85 crores in 1975-76 and Rs. 1.79 crores in 1976-77. Obviously what is required to be done is not actually done in the field and the enforcement machinery is the weakest link in the set-up. The Committee expect the Railway Board to take effective measures to remedy the situation.

### Reply of Government

Instructions are already current regarding preventive action to be taken to avoid consignments getting damaged by wet. These instructions have already been furnished to the Committee. Besides the more important instructions dealing with specific responsibilities of staff prior to offering wagons for loading have been incorporated in the Indian Railway Commercial Manual Vol. II.

There are regular arrangements for panel patching of wagons. During Monsoon Season arrangements are also made for special gangs at all important loading stations to make covered wagons water-tight by the application of sealing compound. On an average 22000 wagons are panel patched.

On account of exigencies of movement of traffic, Open Wagons with facilities of covering with tarpaulins are also used for movement of food grains etc. Sometimes due to varying climatic conditions and certain changes in temperature and unseasonal rains certain damages to consignments become unavoidable in spite of best precautions taken by the Railways.

Viewed in the light of the magnitude of the traffic handled it will be appreciated that the Railways have successfully peg down the extent of claims due to damage by wet.

### Recommendation Sl. No. 19 (Para 3.42)

It has been represented to the Committee that Box Wagons with doors opening upwards are vulnerable as catches of the doors of these wagons can be opened and the coal taken out. The Committee are glad to note that the design of the Box Wagons has been replaced and the new wagons are being manufactured with doors opening downwards.

### Reply of the Government

Observations of the Committee are noted.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI-19 dated 16-11-1978]

#### Recommendation Sl. No. 20 (Para 3.43)

The Committee are perturbed to note that "the single biggest factor counting for nearly half of the amount paid as claims for compensation is pilferage of goods while they are in rail custody". Goods are stolen by miscreants and anti-social elements through door crevices and "body holes of the wagons." Sometimes, it is stated, goods are pilfered from platforms and goods sheds as also "from the custody of guards." From the figures furnished by the Ministry, the Committee find that 71 percent to 75 percent of the total amount of compensation paid during the years 1974-75 to 1976-77 was on account of loss, theft and pilferage of consignments. In terms of money, the amount of compensation varied from Rs. 10.63 crores in 1974-75 to Rs. 11.42 crores in 1975-76 and Rs. 9.69 crores in 1976-77. This is a sad commentary on the performance of RPF, Station authorities and guards. This also shows, that, contrary to the claim made by the Ministry, wagons with "body holes" are allotted for loading and no wonder, the miscreants take advantage of these holes. Since factors responsible for loss on account of theft and pilferage are not such as are beyond human control, the Committee would like the Ministry of Railways to take a serious view of the lapses of the staff because of whose negligence or incompetence Railways and the public have to bear heavy losses.

#### Reply of Government

The observation made by the Committee has been noted. The policy of the Government is that only fit wagons should be allotted for loading of goods.

With a view to prevent thefts and pilferage of consignments various measures are being taken. More important of them are as under:—

- (i) Intensification of the tempo of vigilance checks at points where crime is endemic;
- (ii) Concerned and vigorous drive against wagon breakers and receivers of stolen property;
- (iii) Special security measures, such as, escorting goods trains carrying vulnerable commodities, patrolling in vulnerable yards and collection of intelligence and conduct of raids, on the basis of such information, both by the railway



as well as the Central Crime Bureau of the Railway Protection Force functioning in the Railway Board;

- (iv) Insistence on provision of dunnage to protect flap doors in case of wagon-load consignments of sugar, grains, pulses, oilseeds etc;
- (v) Use of nuts and bolts for rivetting wagons loaded with valuable goods;
- (vi) Proper maintenance of wagons so that incidence of sickness of wagons resulting in detention and transshipment is minimised, and also damage by wet and pilferage through doors and body-holes is reduced;
- (vii) Patching of panels cuts of wagons in sick-lines, yards and goodsheds to reduce the circulation of defective wagons;
- (viii) Intensified supervision at break-of-gauge transshipment points and repacking points; and
- (ix) Prompt fixation of staff responsibility.

It is the constant endeavour of the Railways to bring down the incidence of thefts and pilferage of booked consignments.

Suitable instructions have been issued to the zonal railways in the matter adding that where railway staff are found to be conniving at thefts and pilferage of booked consignments, deterrent action should be taken against the erring staff.

[Ministry of Railways (Railway Board) Q.M. No. 78-BC-EC/  
VI-19 dated 16-11-1978]

#### **Recommendation Sl. No. 22 (Para 3.45)**

3.45. The Committee are informed that surprise checks are made by the Staff of the Crime Intelligence and Central Crime Bureau of the Railway Board with a view to tracking down criminals and receivers of stolen goods. They find that the total number of raids conducted on all zonal Railways during the years 1975 to 1977 shows a declining trend the number having declined from 3184 in 1975 to 2428 in 1976 and 1720 in 1977. There was no raid conducted on North East Frontier Railways in 1976 and 1977. From this the Committee cannot but conclude that the campaign against criminals is on the wane. This should not be allowed to happen.

#### **Reply of Government**

The attention of the North East Frontier Railway has been drawn to the unsatisfactory performance of the CBI. Instructions have been issued to the CSO to revitalise its functioning. Steps have also been taken to improve the performance of the CIB on other

Zonal Railways and C.C.B. of the Railway Board. With the centralisation of the CIB staff, the Chief Security Officers are personally guiding the operations of the CIB Staff and taking follow up action on intelligence made available to them by the CIB Staff.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI-19 dated 16-11-1978]

**Recommendation Sl. No. 23 (Para 3.46)**

The Committee note that various Zonal Railways have identified the 'black spots' from the crime point of view and have taken special measures to control the crime there. The Committee are informed that though the number of 'black spots' on the Central and North-East Railways are larger as compared to other Railways, the crime position on these two Railways "compares favourably with other Railway". The Committee suggest that the statistics in terms of the number of crimes and the value of property involved should be collected in respect of each of the 'black spots' and reviewed every month at the highest level in each Zonal Railway with a view to assessing the impact of preventive measures already taken and taking such further measures as may be considered necessary in the light of experience. Needless to say, the success of campaign against crime at such spots, and for that matter any other spot, would depend on the team work and cooperation of the Railway Staff of all categories.

**Reply of Government**

The Chief Security Officers of the Zonal Railways assess the crime situation over the entire system every month with special emphasis on the incidence of crime in the black spots and take suitable steps to combat crime. These counter steps are taken in consultation with the State Governments with a view to contain the crime situation and ultimately to reduce it to the maximum extent possible.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI-19 dated 16-11-1978]

**Recommendation Sl. No. 25 (Para 3.49)**

The Committee see no justification for shortage of full bags from seals intact wagons, as reported by One-Man Expert Committee (1970). They are informed that Railways have intensified supervision of bulk loading at places which are under their charge. The Committee would like that shortages reported from seals intact wagons loaded under the supervision of the Railway staff should be viewed very seriously and no leniency shown to the erring staff."

**Reply of Government**

Instructions to the Zonal Railways already exist that stringent action should be taken against the concerned railway staff in case of

shortages from seals intact wagons when loading is done under the supervision of the railway staff and clear railway receipts are issued. However, instructions have been reiterated to the Zonal Railways.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI-19 dated 16-11-1978]

### **Recommendation Sl. No. 26 (Para 3.50)**

The Committee are informed that it takes 4 to 8 days for the consignments to reach destination stations within a radius of 200 Kms. even when no transshipment is involved. Transit time for full wagon loads is stated to be as high as 15 days for a distance of over 1000 Kms. and 20 days where transshipment is involved. The transit time taken in the case of small consignments is reported to be still higher. This, in the opinion of the Committee, is highly excessive and cannot be justified. Excessive transit time reduces wagon utilisation rate and also diverts goods traffic to road transport and thus causes double loss which should be avoided. The Committee would like the Ministry of Railways to study this matter in depth and lay down optimum limits of transit time for wagon load as well as small consignments. The Committee would expect that delay in each case occurring without any compelling reasons would be taken serious note of and looked into by senior officers with a view to taking remedial measures for future.

### **Reply of Government**

The Ministry of Railways have already fixed the target transit time for full wagon load and "Smalls" consignments keeping in mind the various factors such as speed of goods trains, time required for loading, detentions enroute etc. The performance of wagon load, "Smalls" consignments running between certain important pairs of points is being watched in this office. Cases of deterioration in performance are taken up with the concerned Railways. Besides, individual cases of serious delays, as they come to light, are looked into at appropriate level. To secure increased loading on the Railways is a major pre-occupation of the Indian Railways and this is possible only with quicker movement of wagons and consignments in them which is being watched intensively on daily and hourly basis at all levels and suitable remedial steps are taken as and when warranted. The present practice meets the purpose and may continue.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978.]

### **Recommendation Sl. No. 27 (Para 3.51)**

The Committee are of the opinion that the new methods of carrying and storing goods, as suggested by the representatives of the asso-

ciated Chamber of Commerce and Industry, namely, introduction of 'Palletisation'—enlargement of the concept of container and provision of 'Lock fasts' merit serious consideration for use not only at private sidings for which 'palletisation' is being considered by the Ministry of Railways, but also at other places.

### Reply of Government

Observations of the Committee have been noted.

A number of contacts were established with the trade and industry to explore the possibility of palletisation, but it would appear that firms are not interested in loading their consignments in pallets. Yet the railways have been instructed to keep in touch with the latest development in palletisation in the field of Indian transport so that as and when the trade becomes interested in palletised loading railways should be in a position to provide for necessary infrastructure for palletised movement.

As regards the Committee's recommendation for enlargement of the concept of container so as to place consignments of more than one consignor for more than one consignee in the same container, it is pointed out that it has already been implemented by the introduction of Freight Forwarders scheme in containerisation between Delhi and Bombay where adequate traffic of this type was available.

Railways have also been instructed to provide 'lock fast'—barricaded enclosure of a small size at major stations for the safety of smaller articles after unloading.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978.]

### Recommendation Sl. No. 29 (Paras 3.53 and 3.54)

The Committee note that the One-Man Expert Committee (Kirpal Singh Committee, 1976) made a number of useful recommendations suggesting ways to deal with the crime against property entrusted to the Railways for transport. The Committee understand that a number of the recommendations have been accepted by the Railway Board. The Committee desire that follow-up action should be taken expeditiously to implement the recommendations which have been accepted.

The Committee note that instructions issued by the Railway Board to Zonal Railways regarding handling of consignments, labelling of wagons, supervision at loading points and other connected matters are scattered over a large number of letters issued from time to time. On the Committee pointing out the need for consolidating all such instructions in the form of a manual, the representative of the Railway Board stated in evidence that "... the suggestion is an excellent

one. We should have a Compendium of rulings. I think we should be able to do it." The Committee hope that the manual will be brought out expeditiously for the guidance of the concerned staff and it will be kept up-to-date by issuing correcting slips as and when necessary.

### **Reply of Government**

The Recommendation of the Committee has been accepted.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978.]

### **Recommendation Sl. No. 30 (Para 3.69)**

The Committee note that Indian Railways have three gauges and 97 break of gauge points where goods are transhipped from one wagon to another. Though adequate administrative and operational arrangements are stated to have been made for handling, storage, transfer from one wagon to another and security of goods at the transhipment points, the Ministry of Railways have admitted that "transhipment causes extra incidence of damage, breakage and wastage and provides greater scope for theft, pilferages and misdespatches." Use of hooks by labour for lifting bags for lack of catch handles, rough handling of consignments by labour in their eagerness to earn more by doing maximum transhipment and defective wagons are some of the deficiencies noticed by Railway authorities in the system of work at the transhipment points. A sample study made by North East Frontier Railway shows that about 14 per cent of the Compensation amount paid by the Railway was attributable to the claims arising at transhipment points. Applying the result of this study to get a broad perspective of the magnitude of the problem at all India level, it is seen that approximately Rs. 2 crores are paid annually by all the Railways as compensation for the loss and damage caused to consignments at transhipment points, much, if not all, of which can, in the opinion of the Committee, be avoided by taking preventive measures. The Committee feel that this is another area which calls for an in-depth study by an expert group to determine the extent of loss and damage in terms of amount and percentage caused to consignments at various transhipment points and draw up a comprehensive scheme for re-organising and streamlining the system of working at these points with a view to controlling loss and damage.

### **Reply of Government**

The Efficiency Bureau Directorate of the Ministry of Railways have been entrusted to review the existing procedure regarding handling, storage and transfer of goods from one wagon to another and security thereof at transhipment points, to determine the extent of loss and damage in terms of amount and percentage caused to consignments on various transhipment points and to draw up a comprehensive scheme for re-organising and streamlining the system of working at these points, keeping in view the sample study made by North-

east Frontier Railway and to submit their recommendation in the matter. Necessary action will be taken on receipt of the recommendation in this regard.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978.]

### **Comments of the Committee**

The Committee may be apprised of the recommendations made by the Efficiency Bureau Dte. of the Ministry and the action taken thereon by the Ministry of Railways.

#### **Recommendation Sl. No. 31 (Para 3.70)**

For instance, the Committee see no reason why defective wagons should be used at all at these points much against the standing instructions issued by the Railways. This is an act of gross negligence on the part of supervisors and is all the more reprehensible since it takes place in the unavoidable absence of consignor|consignee. The Committee would like the Ministry of Railways to tighten supervision and make sure that defective wagons are not used at transshipment points.

#### **Reply of Government**

Suitable instruction has been issued to the Zonal Railways to the effect that supervision should be tightened up at transshipment points to ensure that defective wagons are not used at those points for loading of goods.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI-19 dated 16-11-1978]

#### **Recommendation Sl. No. 34 (Para 3.73)**

The Committee note that, as recommended by the One-Man Expert Committee (1976), arrangements for repairing packages and bags which may be found torn, damaged or broken at transshipment points have been made on Central, Northern, Southern and Western Railways. The Committee hope that similar arrangements exist on other Zonal Railways also. They feel that if the staff posted at transshipment points have to do a really good job, they should be put through some sort of training in repairing bags and packages. They would also like that a senior officer at each transshipment point should be made responsible to see that torn, damaged or broken packages are in fact repaired before they are despatched.

#### **Reply of Government**

Staff at transshipment points on other Railways are also repairing torn bags and damaged packages at transshipment points.

However, instructions have been reiterated to the Zonal Railways that arrangements should be made to repair torn bags and damaged packages at transshipment points and the Head Transshipment Clerk at the transshipment points should ensure that torn bags or damaged/broken packages are repaired before their onward despatch and also proper training should be given to the staff to repair damaged bags and packages.

Wherever senior officers are posted incharge of major transshipment points they have also been instructed to ensure that proper arrangements exist for repair of torn bags and broken packages before their onward despatch.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978.]

### **Recommendation Sl. No. 36 (Para Nos. 3.102 and 3.103)**

The Committee are informed that misdirection of wagons is one of the main factors responsible for loss and damage of railway consignments. Misdirection of wagons, it is stated, is mainly caused by carelessness of staff in not fixing card labels on wagons properly, dropping or mutilation of card labels in transit, attachment of wagons to wrong train during shunting operations in marshalling yards and at transshipment points. The One-Man Expert Committee (1970) had observed that "what is required is that the existing rules, which are being carried half-heartedly and partially, should be implemented in their entirety and this, it is expected, will bring about a satisfactory reduction in the number of wagons becoming unconnected". In their 3rd Report (1973), the Railway Convention Committee also came to a similar conclusion when they observed that "the fact that in spite of clear instructions in this regard, the incidence of wagons going astray, continues to be high, not only indicates that these are being followed only half-heartedly and partially but also that requisite amount of supervision by Commercial Inspectors and Commercial Officers is not forthcoming". In a memorandum submitted to the Committee a prominent Chamber of Commerce & Industry has repeated what the One-Man Expert Committee had said seven years ago and the Railway Convention Committee 4 years ago that "the rules prescribed by the Railways to prevent misdirection are quite comprehensive. However, these are not strictly acted upon". The Committee regret to observe that an impression continues to persist that the rules prescribed by railways to prevent misdirection of wagons are not being strictly acted upon by the Railway staff despite repeated instructions stated to have been issued by the Ministry of Railways (Railway Board) to their Officers and staff.

The Committee realise that there are instructions galore but they are observed more in breach than in observance. The Ministry of Railways are no doubt aware that rules and regulations are meaningless if they are not followed. The Committee would expect

the Ministry to do something tangible to demonstrate that they have a will and a machinery to enforce the rules laid down by them and thus win the confidence of their clients. The Committee also suggest that role and responsibilities of each category of staff concerned with booking and carriage of consignments and methodology of work should be clearly defined and check-lists issued for the guidance of the staff. They would like that as already recommended by the Railway Convention Committee in their Third Report (1973), the Ministry should tighten supervision and intensify the system of surprise checks by officers of the Claims Prevention Organisation so as to ensure that labels are properly made and inserted in the pockets, wagons are duly sealed and regularly checked *en route* and the prescribed drill followed to ensure that wagons reach the destinations speedily and safely.

### Reply of Government

The recommendation of the Committee has been noted. Besides reiterating the instructions, their implementation is being enforced by closer supervision, frequent surprise checks and punishment to the defaulting staff.

It is also submitted that to improve railway's image and to create confidence in the public, the missing and unconnected wagons are being connected with the help of the Computer.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 16-11-1978.]

### Recommendation Sl. No. 38 (Para 3.106)

The Committee are informed that tracing/matching cells, on the lines of the Cell set up in Northern Railway, have been opened in the claims offices in all Zonal Railways to supply information about the whereabouts of over-due consignments to the claimants. They are also informed that the Computer Centre in the Railway Board has considerably streamlined the system of tracing and connecting of missing wagons. The Committee learn that the existing computer systems in Railways are 10—12 years old and are due for replacement. They note that the Railways are considering a scheme to be implemented over a period of 15 years under which new computers will be installed in the Railway Board and at each Zonal Divisional Headquarters. All these computers will be inter linked and provide information for the purpose of wagon linkage and a number of other matters from all over India. The Committee would like to be informed of the decision taken on the scheme.

### Reply of Government

A perspective plan has been drawn up by the Ministry of Railways for the growth of the Electronic Data Processing Systems during the corporate plan period that extends upto 1989. This provides for



a phased movement into the era of one-line Real-time Control Systems & Management Information and control systems with integrated and well structured data bases. As the problem of replacement of the present second generation computers has assumed urgency, both due to their age and the limitations of their hardware, a proposal for introduction of advanced computer systems in their place has been sent to the Department of Electronics. This proposal is at present under consideration of the Department of Electronics.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 16-11-1978.]

### **Recommendation Sl. No. 41 (Para No. 3.109)**

The Committee would stress the need for evolving a systematic procedure to take care of wagons which come at stations for which they are not intended or which cannot be connected for want of labels or other requisite information. It should be made incumbent on the station authorities concerned to report the whereabouts such mis-directed and unconnected wagons to the nearest Divisional or Zonal Headquarters without loss of time to enable the latter to re-direct them to the right stations.

### **Reply of Government**

The recommendation has been noted. Suitable instructions already exist that when unconnected wagons are received at stations, station staff should report the matter to the Train Controller and the Divisional Commercial Superintendent with full particulars for getting such wagons connected. The stations are also required to send a statement of unconnected wagons lying at stations on the 1st and 15th of each month to the Chief Commercial Superintendent who is to put on Claims Trace or other staff to expedite the process of connecting the wagons.

At the Divisional Headquarters the Train Controllers/Commercial Controllers ascertain the correct destination of the wagon by tracing its backward despatch on control phone from the adjoining Divisions, if necessary and advise the same to the Station Master.

A list of missing and unconnected wagons is periodically sent to the Computer Centre, Railway Board, for processing the data on the computer and to link them wherever possible.

On receipt of statement of unconnected wagons lying at various stations at Zonal Headquarters, Claims Tracers are deputed to trace and connect wagons by personal enquiries in cases which are not otherwise connected.

In tracing the correct destination of wagons full advantage is taken of the records of wagons furnished by Railway Board Computer

Centre and maintained by the Indian Railways Conference Association. On different zonal Railways special Cells have been set up primarily with the object of tracing and linking unconnected wagons. These special cells are doing a useful job in linking unconnected wagons.

Instructions have been reiterated to the Railways to ensure that the station staff promptly report the whereabouts of the mis-directed and unconnected wagons to the nearest Divisional or Zonal headquarters and the Computer Centre of Railway Board without loss of time so that urgent action is taken to link these wagons and direct them to correct destinations.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978.]

#### **Recommendation Sl. No. 42 (Para No. 3.110)**

The Committee are informed that it is one of the duties of loading staff to examine the flaps of pockets for wagon labels, and these are normally attended to and replaced whenever necessary during periodical overhauling repairs. The Committee would like this matter to be attended to more seriously. They feel that, if flaps of pockets of a wagon are missing or defective, the staff at major stations, in particular should make some stopgap arrangement before making that wagon available for loading. If this is not done, the Committee apprehend that the card labels in respect of that wagon are likely to get disfigured or mutilated in transit thereby leading to the mis-direction or loss of the wagon.

#### **Reply of Government**

The recommendation made by the Estimates Committee has been accepted and necessary instructions issued to the Railways.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978].

#### **Recommendation Sl. No. 47 (Para No. 3.129)**

The Committee are informed that though previously weighbridges remained out of order for a considerable time as the Railways depended on private contractors for their maintenance, the position is now satisfactory. The Committee would like that maintenance schedules should be drawn up for each weighbridge and steps taken to ensure that these are observed in actual practice. They would also like the Railways to see that, in the event of a weighbridge going out of order, the weighbridge is attended to without loss of time.

#### **Reply of Government**

Instructions already exist with the Railways regarding periodical testing of weighbridges and their regular maintenance. However the importance of these aspects has been reiterated.

The Railways have confirmed that the preventive maintenance schedules for the weighbridges are being observed in actual practice.

Weighbridges going out of order are promptly attended to.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978].

**Recommendation Sl. No. 48 (Para No. 3.130)**

It has been suggested to the Committee that for a more accurate and efficient service, mechanical weighbridges should be replaced by weight-o-metres or electronic weighbridges which it is stated, can record the weight of moving wagons also. The Committee are informed by the Ministry of Railways that Railway Designs & Standards Organisation is in touch with the indigenous manufacturers of an electronic weigh-bridge and is, in fact, guiding and helping them in this venture but so far it has not been possible for the Railways to examine the efficacy of the electronic weighbridge. An electronic weighbridge, on the face of it, certainly has the advantage of accelerating the process of weighing of wagons and thus speeding up the movement of goods traffic. The Committee would like to be informed the outcome of the efforts being made by the RDSO in this field.

**Reply of Government**

No indigenous manufacturers have so far been able to develop capability for manufacturing electronic weighbridges for weighing wagons in motion. However, M/s. Narne Tulaman Manufacturers (P) Limited, Hyderabad, who have developed a model of electronic static weigh-bridge of 30 ton capacity which could be used for weighing wagons or trucks while they are static or at rest, have advised that the project for the development of electronic weigh-bridges for weighing wagons in motion is under active consideration and it is proposed to undertake the work during the later part of the current year. Assistance or guidance, if any, required by the above firm will be given by the Research Designs & Standards Organisation, Lucknow a technical wing of the Indian Railways. The performance of such weigh-bridges when developed by the above firm, will be examined by the Railways.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978].

**Recommendation Sl. No. 49 (Para No. 3.131)**

The Committee are concerned to note that recording of weight of consignments is stated to be "not correct and proper" in certain cases. This may be due to defective functioning of weighing machines, all of which, the Committee suggests, should be tested periodically to ensure that these give accurate weight reading. The Committee feel that

possibility of recording incorrect weight by mistake or otherwise will remain until the weighing equipment with Railways is fitted with automatic weight recording device. They would like the Ministry of Railways to explore the possibility of fitting such a device to the weighing equipment already in service and in future consider purchasing equipment already fitted with such a device.

### **Reply of Government**

The question of installing a suitable weighing machine|weigh-bridge for weighing wagons correctly and promptly has been engaging the attention of the Ministry of Railways. After detailed examination of various aspects Ministry of Railways have arrived at a decision in principle to instal one Electronic Weigh Bridge for weighing Wagons in motion. A Development project for the installation of one 100 T Electronic Weigh Bridge in collaboration with M|s Narne Tulaman Manufacturers Pvt. Ltd., Hyderabad has been approved in principle by this Ministry and the project will be processed as an experimental measure subject to availability of resources.

Though the fitment of automatic weight-recording device as recommended by the Estimates Committee will solve the problem to some extent, the installation of Electronic Weigh Bridge as mentioned above will eliminate the snags now prevailing and the Railways will be benefited considerably due to quicker turn-around of wagons and resultant improvements in revenue. The Electronic Weigh Bridge proposed to be installed is expected to weigh Wagons in motion at a speed of 4 to 5 Kms. per hour and save time now wasted for weighing each and every Wagon separately by bringing it to rest.

Regarding the defective functioning of weighing machines reference may kindly be made to the reply given to recommendation No. 47 (Para 3.129) of the report.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978].

### **Recommendation Sl. No. 50 (Para No. 3.138)**

The Committee are informed that, with a view to avoiding delay in the grant of open delivery of consignments, powers have been delegated to Station Superintendent, Station Masters, Chief Goods Clerk and Head Parcel Clerks at important stations and to commercial/claims Inspectors at wayside stations. The representative of the Ministry of Railways (Railway Board) stated during evidence that open delivery should normally be granted "within a couple of days" and in exceptional cases "one or two days extra" may be taken. The Committee find that in South Eastern Railway at big stations, open deliveries are granted within 24 hours and at way side stations, the time taken is generally 72 hours. But, whenever technical assistance is required for granting open delivery of machinery

part etc., the time taken, in South Eastern Railway, is on an average 7 days. This shows that there is a communication gap between the Railway Board and the Zonal Railways. The Committee see no reason why, in other Zones also, at stations where duly authorised officers are available open assessment delivery should take more than 24 hours. The Committee suggest that the Railway Board should progressively and after due preparation extend the scheme of delegation of powers to grant open/assessment delivery to Officers of other stations where the goods traffic so warrants in order to provide efficient service to the consignees there. The Committee would like that time-schedule to grant such deliveries should be laid down and necessary steps taken to ensure that the time schedule is adhered to. The Committee would also like the Railway Board to ensure that their instructions enjoining upon the field staff to issue shortage certificates automatically and without delay are carried out in letter and spirit.

### **Reply of Government**

The recommendation of the Committee has been noted. Instructions already exist that Station Masters who are authorised to grant assessment of damages should themselves arrange to give open delivery of the consignments immediately. Powers to grant open/assessment delivery have already been delegated to the concerned Railway Officers and staff by the Zonal Railway administrations. The Railways have also been advised to extend the delegation of powers to grant open/assessment delivery to officers/staff of other stations where the goods traffic warrants. However in view of the fact that the presence of the consignee is also necessary at the time of open and assessment delivery, a firm schedule of time not practicable.

2. Regarding grant of shortage certificates it may be stated that instructions already exist that there should be no delay in issuing shortage certificates without which claims cannot be preferred. It has also been laid down that no separate application need be insisted upon for issue of shortage certificate and that this should automatically follow open/assessment delivery.

3. As regards fixing a time schedule to grant open/assessment delivery it may be stated that open/assessment delivery should be arranged immediately after the receipt of application without any delay. Instructions to the Railways also exist that it should be ensured that there is no delay in granting assessment delivery. These instructions have been reiterated to the Zonal Railways. However it may be pointed out that it is necessary that the consignee or their representatives are also present at the time of assessment delivery. In face of disputes regarding the quantum of assessment sometimes technical experts have to be called to ensure that open and assessment delivery

is granted on a realistic basis without deterrent to the interests of either party.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978.]

#### **Recommendation Sl. No. 53 (Para No. 4.38)**

4.38. The Committee also feel that, as suggested by the One-Man Expert Committee, the Railways should, without loss of time, undertake a detailed work-study of the manpower requirements, draw up yardsticks which could be applied to various types of duties performed by the Railway Protection Force and make the most effective use of the Force by deploying its personnel in a more systematic and imaginative manner.

#### **Reply of Government**

Following this recommendation by the One-Man Expert Committee, it was decided that a detailed work study for the various protection and unscheduled duties etc. should be made, a proper yardstick drawn up and the man-power requirements should be determined by the Zonal Railways on that basis. If according to this work study/yardstick additional man-power becomes necessary, the same should be processed giving full justification to the associated finance. In pursuance of this decision instructions were issued to the Zonal Railways to take effective measures to implement the said recommendations. But the Zonal Railways contended that a Central Committee appointed by the Railway Board should evolve general guidelines and suggest yardstick to be applied uniformly. Consequently, IG/RPF constituted an official Committee on 24-4-1978, consisting of Chief Security Officers of Western and Central Railways, DIG/RPSF and Dy. Chief Security Officers of Eastern and Northern Railways. This Committee is currently going into the whole issue and its recommendations are awaited.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 27-12-1978]

#### **Recommendation Sl. No. 54 (Para No. 4.39)**

The Committee were informed by the Ministry of Railways that the thefts etc., taking place from trains escorted by RPF personnel were, *inter alia*, also due to negligence/indulgence in malpractice by railway staff, insufficient lighting arrangements in yards and unscheduled stoppages or speed restrictions on account of operational reasons. The Committee are unable to appreciate as to why the escorting RPF personnel cannot effectively deal with the railway staff and others committing or abetting in the commission of thefts and pilferages from running trains or at unscheduled stoppages and why lighting arrangements in the yards cannot be improved to a satisfactory level. If even the trains escorted by the RPF personnel are not safe from criminals, the fate of unescorted trains is not

difficult to imagine. This only shows that not only the RPF personnel but also others who are responsible for safeguarding public property do not take their duties seriously. The Committee would like the Ministry of Railways to look into this matter seriously and take urgent steps to plug the loopholes in the security arrangements of trains so as to ensure their absolute safety from criminals.

### **Reply of Government**

The performance of the RPF in this regard is under review and steps are being taken to tighten security measures so that thefts and pilferages from running trains or at unscheduled stoppages are minimised.

The criminals operating on the Railways have links with outsiders and come in sufficient strength, even prepared to attack the escorting parties by opening fire, if necessary. Taking into account the very large number of trains on the move, it is not always possible to provide armed escorts in all trains. Even where they are provided their strength is generally 1 Head Rakshak and 3 Rakshaks which is not adequate to cope with Criminals operating in a large number armed with deadly weapons. Sometimes the long length of the goods trains with escorts seated in the rear Brake-Van, and sharp curves obstructing the visibility of wagons next to engine, render the escorts ineffective and provide opportunities to the Criminals to escape in familiar terrains. However, instructions have been issued to the Chief Security Officers to provide escorts in adequate strength on a selective basis in affected trains over vulnerable sections.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 27-12-1978]

### **Recommendation Sl. No. 55 (Para No. 4.40)**

The Committee were also informed by the Ministry that during 1976, 1327 members of the RPF were punished and 200 out of them were removed from service. There have also been cases in which RPF personnel were apprehended for involvement in cases of pilferages, thefts and loss of railway consignments. The numbers of RPF personnel arrested on this ground were 176 in 1974, 190 in 1975 and 94,136 in 1976. That such a large number of RPF personnel were found negligent in the discharge of their duties and had to be punished and arrested for involvement in thefts, etc. is a sad commentary on the working of the Railway Protection Force. The Committee strongly urge that the Railways should systematically identify RPF and other personnel with doubtful integrity and keep them under careful and constant surveillance. The Railway authorities should attach the highest importance to the integrity of their personnel while evaluating their performance for the purpose of career advancement and should not appoint personnel of doubtful integrity in positions:

of responsibility. Those who are found guilty of acts of Commission and omission involving moral turpitude resulting in financial loss should be speedily and severely punished.

### **Reply of Government**

The Government are seized of the problem with regard to recruitment of persons with integrity in Government service as well as attaching due importance to integrity in career advancement. All possible precautions are taken to ensure that persons with doubtful integrity do not get appointed initially and as such candidates are appointed only after the verification of their character and antecedents. In some cases, however, it may become necessary to make appointments pending verification of character and antecedents but such verification is done immediately after such appointments. For promotions at all levels due importance is given to integrity at the time of selections. Persons of doubtful integrity or those otherwise found guilty for acts of omission and commission involving moral turpitude are not promoted unless their cases are duly cleared by the Vigilance Department.

At the Railway Protection Force Posts, a confidential record of persons with doubtful integrity is maintained and watch is kept over such persons.

Staff found guilty involving moral turpitude resulting in financial loss to the Government are adequately punished.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 27-12-1978]

### **Recommendation Sl. No. 56 (Para No. 4.41)**

The Committee note that the One Man Expert Committee has come to the conclusion that the existing procedure for departmental proceedings in the case of Railway employees, particularly Railway Protection Force, needs to be revised to enable speedy and drastic punishment being imposed for involvement in crime against railways property. The Committee would like the Railways to go into this matter expeditiously and make necessary changes in the procedure for departmental proceedings to enable speedier and appropriate punishment being awarded to such of the railway employees as are found guilty of crime against railways property and public property entrusted to railways for carriage.

### **Reply of Government**

The Board had examined One Man Expert Committee's recommendations for making necessary changes in the procedure for departmental proceedings and had decided that it was not necessary to have any changes in the existing procedure. The existing proce-



dures have been framed in keeping with the Constitutional provisions. They have also been found to be adequate to meet the requirements. For speedy disposal of the cases Board have laid down a time-schedule for finalisation of all disciplinary cases which is followed. However, it has been reiterated to the Zonal Railways to ensure to speed up the action in drawing disciplinary proceedings and impose deterrent punishment to such RPF & Railway employees who are found guilty of crime against Railway property and property entrusted to railway for carriage.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 27-12-1978]

**Recommendation Sl. No. 57 (Para No. 4.42)**

The Committee also recommend that training and refresher courses should be organised for the RPF and other personnel responsible for handling and protecting public property in order to improve their efficiency. Training should also be imparted to supervisory officers to enable them to improve the quality of supervisions and to detect cases of negligence well in time so as to minimise loss to railways on account of pilferage and theft of railway consignments.

**Reply of Government**

The training to supervisory officers of the RPF is already being imparted with a view to improve their efficiency.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 27-12-1978]

**Recommendation Sl. No. 58 (Para No. 4.43)**

The Committee are informed that at present under the Railway Property (Unlawful Possession) Act, 1966, the Railway Protection Force has been conferred with limited powers of investigation and prosecution. The Railway Protection Force has still to depend on the State Police Organisations, mainly the Government Railway Police, for the investigation of theft cases reported to them. The existing pattern of dual control of Railways crime does not meet the security requirements satisfactorily. The Committee would, therefore, recommend that as suggested by the Administrative Reforms Commission and also the One-Man Expert Committee (Kripal Singh Committee), the aforesaid Act be amended and the Railway Protection Force which is a statutory organisation for the protection of the railway property and property entrusted to the railways for carriage, be vested with adequate legal powers of investigation and prosecution of the offences against such property to make the Force more effective and purposeful.

**Reply of Government**

The Railway Protection Force which is a Statutory Force raised under the Railway Protection Force Act, 1957, is charged with the

responsibility of protection and safety of the railway property and have been given limited powers of search and arrest. Only cases coming under the Railway Property (Unlawful Possession) Act, 1966 can at present be enquired into and prosecuted by them and all other offences against railway property including booked consignments are investigated by the Government Railway Police alone.

The High Powered Committee on the security and policing on the railway in their report have discussed this aspect and suggested that it should be considered whether within the existing framework of the Constitutional provisions the Railway Protection Force can be given further legal powers and responsibilities for ensuring better security and policing on Indian Railways. Similar recommendations providing for enhancement of legal powers of the R.P.F. by empowering them to deal with the investigation and prosecution of cases of theft of railway property (including booked consignments) have also been made by the Administrative Reforms Commission. The One Man Expert Committee which was framed in 1975 with a view to making recommendations for combating crimes, minimising claims, compensation and advising better security arrangements and more effective measures and methods, have similarly recommended for enhancement of legal powers of the Railway Protection Force so that they should have concurrent jurisdiction with the State Police in the matter of investigation and prosecution of offences against railway property. The Ministries of Home Affairs and Law Justice and Company Affairs to whom the matter was referred, have recently agreed to confer additional powers on Railway Protection Force within the framework of the Constitution.

Accordingly a draft bill entitled "The Railway Property Special Offence Bill" to empower the R.P.F. to investigate all kinds of offences relating to the railway property has been prepared. In the light of the opinion given on the bill by the Ministries of Home Affairs and Law and Justice, the copies of the draft bill have been circulated to the State/U.T. Governments for their views in the matter. The comments received are under examination. Changes in the proposed bill may be made on the basis of comments received, if necessary. Then the bill will be processed further in consultation with the Ministries of Home Affairs and Law and Justice and Company Affairs.

The proposed 'Railway Property Special Offence Bill' will cover crimes under heads 'dacoity', 'arson', 'robbery', 'theft', 'cheating' & 'forgery' when committed in relation to railway property. It is proposed to confer powers of investigation and prosecution on the R.P.F. in respect of such offences. It will provide concurrent powers to the Government Railway Police and the Railway Protection Force with regard to such offences as policing on the railways in a State subject.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 27-12-1978]

**Recommendation Sl. No. 59 (Para 4.44)**

It has been brought to the notice of the Committee that as regards loss of railway consignments there is no clear-cut demarcation of responsibility between the railway staff and the RPF and the Police and that one tries to shift the responsibility on to the other. The Committee would like the Ministry to go into the matter and define the responsibilities of the Railway staff, the RPF and the GRP in clear-cut terms so that in case of loss, damage, pilferage or theft, the responsibility could be appropriately fixed.

**Reply of Government**

In accordance with the RPF Act, 1957 the duty of the RPF is to protect and safeguard the Railway property and as such RPF is responsible for all losses of Railway consignments where there is evidence of criminal interference whether in the yards, goods sheds in transit etc. The RPF is also empowered to enquire into cases of unlawful possession of Railway property and prosecute the offenders where a part of whole of the stolen property has been recovered and the accused has been arrested. The Government Railway Police takes cognisance of all cases of criminal interference of booked consignments or railway property where there is no recovery of the stolen property and a case under RP(UP) Act cannot be registered. The other Railway staff, *i.e.*, Commercial Staff are responsible to supervise loading and unloading of booked consignments and are accountable for all shortages of consignments from seal intact wagons where there is no evidence of criminal interference.

The Commercial staff is also responsible in respect of or consignments found missing from sheds, platforms, etc. where there is no evidence of criminal interference.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 27-12-1978.]

**Recommendation Sl. No. 60 (Para No. 4.45)**

The Committee are informed that one member of the RPF staff of N. E. Railway, one Rakshak of Central Railway and 6 members of the RPF staff of South Eastern Railway died in encounters while protecting railway property and consignments booked by rail and the bereaved families were given suitable financial assistance. The Committee feel that besides giving cash assistance in such cases atleast one dependent member of the bereaved family should be provided with a suitable job in the railways and also the facility of residential accommodation so as to mitigate the hardship which such a family has inevitably to face after demise of its bread earner.

### Reply of Government

As per the extant instructions of the Railway Board, the cases of dependents of railway employees who die as a result of devotion to duty are considered on compassionate grounds on priority basis for offering them suitable appointments. If necessary age limits are also freely relaxed. While offering appointments to the dependents of the members of the Railway Protection Force in Railway Protection Force itself, physical standards are also relaxed to certain extent. As regards providing facilities of residential accommodation to the dependants the extant instructions are that a railway employee who dies in service his/her son, daughter, wife or husband, or father may be allotted railway accommodation on out of turn basis provided the said relation is a railway servant eligible for railway accommodation and has been sharing accommodation with the deceased railway servant for atleast 6 months before the date of death.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 27-12-1978.]

### Recommendations Sl. No. 62 & 63 (Paras 4.47 & 4.48)

The Committee are distressed to note that in 1975, 3 RPF personnel were apprehended at Kodarma for being in possession of Rs. 1 lakh (approx.) in cash, 3 wrist watches, gold ornaments weighing about 160 gms. and some other things. As admitted by the Ministry of Railways the persons concerned in this case had been there for more than 5 years and there were no exceptional circumstances warranting their unduly long stay at that station. The representative of the Ministry informed the Committee during evidence that the local officers right up to the Chief Security Officer tried to transfer them but "some how or the other some pressure was brought to bear." Viewing this as a typical case and not an isolated case, the Committee are unhappy that the highest officers succumbed to pressure as they did and allowed RPF personnel to stay at the same station for unduly long period in violation of the policy laid down in this regard. Such instances are sure to undermine the morale of honest workers and create dis-satisfaction in their ranks. The Committee would like the Ministry to enquire into the circumstances of the case and draw appropriate lessons for future guidance and inform the Committee of the outcome.

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The Committee would also like the Ministry to undertake a review of all such cases in which the stay of RPF personnel at the same station continues to be for a longer period than permitted under the official policy in this regard and rectify the situation.

## Reply of Government

A review of all such cases in which members of the RPF were allowed to stay at a particular station for longer periods than permitted under the rules, was made. Prior approval of the competent authority has been obtained in cases in which exception to the rules were made on administrative or compassionate grounds. The Northern Railway, however, did not carry out the periodical transfers after May 1977 with a view to bring about economy. The Northern Railway has been advised to carry out the periodical transfers. These are in progress.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 27-12-1978.]

### Recommendation Sl. No. 65 (Para 4.50)

From all that has come to their notice, the Committee cannot but agree to the view expressed by a number of public sector enterprises that the performance of RPF personnel leaves much to be desired and that the theft and loss of railway consignments can be considerably reduced if only the RPF personnel discharge their duties honestly and conscientiously. The Committee stress that it is absolutely essential for the railways to revamp the image of the RPF and establish its credibility in the eyes of the public as an effective instrument for safeguarding public property entrusted to railways for carriages. Needless to say, the public will judge the effectiveness of the steps taken to improve the efficiency of RPF by the success it achieves in controlling the incidence of theft, pilferage and loss of consignments booked by rail. The Committee would like the Ministry of Railways also to evaluate the performance of RPF in terms of annual compensation claims bill and compensation paid on account of theft, pilferage and loss of railway consignments *vis-a-vis* the total expenditure on RPF and its strength. They would also like the Ministry to publish such evaluation results in their Annual Report.

## Reply of Government

The working of the Railway Protection Force is constantly under review and no efforts are spared to improve its efficiency, morale and discipline. Those personnel who have done good work are suitably rewarded and the bad elements are sternly dealt with to improve the general image of the organisation. As suggested by the Committee evaluation of the performance of the RPF will be made along the guidelines indicated in the recommendation.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 27-12-1978.]

### Recommendation Sl. No. 66 (Para No. 5.25)

\* It has been represented to the Committee by a number of reputed enterprises and organisations that the procedure for settling

claims is lengthy and time consuming. There are inordinate delays and improper assessment of loss and damage. Letters and notices are not promptly attended to. From what they have heard from the representatives of the Chambers of Commerce and other organisations during the course of their study tours, the Committee gathered the impression that all is not well with the procedure for settling claims. The Committee would, therefore, suggest that a critical study of the procedure of working of the claims settlement organisation should be made through an Organisation and Methods expert and the procedure simplified and streamlined in the light of the study. The Committee also suggest that guidelines should be laid down clearly to ensure speedy disposal of work and the role and duties of each category of staff and officers should be properly defined so that the performance of each one of them can be properly evaluated and bottlenecks, if any, removed.

### **Reply of Government**

It may be stated that various measures have been taken from time to time for streamlining and expediting the settlement of compensation claims. As a result the average time taken in settlement of a claim has come down from 55 days in 1976-77 to 46 days in 1977-78. However, as suggested by the Committee a critical study of streamlining the work of settlement of compensation claims and simplifying the procedure in this regard has been entrusted to the Efficiency Bureau Directorate of the Ministry of Railways and further action will be taken after completion of the study.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 27-12-1978.]

### **Recommendation Sl. No. 68 (Para No. 5.27)**

The Committee note that, while acknowledging receipt of a claim, the claimant is asked to submit necessary documents such as shortage certificate, beejuck and other relevant information, if not already furnished. In order to avoid unnecessary correspondence in this regard, the claims authorities should insist on all the relevant documents to be appended to the claims application at the time of submission of the claim. This, in the opinion of the Committee, is a good suggestion. For this purpose the lists of documents required and other instructions in this regard should be printed at an appropriate place in the application form and also put up at prominent places in the claims and other offices of the Railways and given due publicity by other means for the guidance of claimants.

### **Reply of Government**

It may be stated that on the basis of the Recommendation made by One-Man Expert Committee on Compensation Claims instructions were issued to the Zonal Railways that while acknowledging the letter preferring compensation claim, all necessary documents and information as required should be called for from the claimants. Accordingly the documents and information normally required by the

Claims Office is printed on the acknowledgement cards. This apart, instructions already exist that printed forms for preferring claims should be provided at important stations for convenience of claimants to ensure that they furnish full information on all relevant points at the time of preferring their claims.

It is significant to point out that insistence on the submission of all documents in the first instance would involve avoidable delay causing complication in view of the fact that compensation claims are to be preferred within six months from the date of booking according to statutory provisions contained in Section 78-B of the Indian Railways Act.

However, the above-mentioned instructions have been reiterated to the Zonal Railways for suitable action.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 27-12-1978.]

#### **Recommendation Sl. No. 69 (Para No. 5.28)**

The Committee cannot understand why Missing and Damage Report in respect of a booked consignment should be called from the station concerned only after the registration of a claim and why such a Report should not be sent automatically by the station concerned to the claim officer concerned after loss, damage or shortage comes to notice. Similarly they are unable to appreciate why effort to trace the missing consignment is initiated or notice on the adjoining Railway to trace the missing consignment is served only after the registration of a claim. If advance action is taken in such matters by the authorities concerned in anticipation of the claims being registered in due course, the disposal of claims can be speeded up. The Committee hope that this aspect will be taken care of while streamlining procedure.

#### **Reply of Government**

Instruction already exists that the Missing and Damage Goods Report must be submitted by the Station Masters as soon as a consignment is delivered under qualified remarks and must not be detailed until a claim is preferred and the report is specifically called for by the claims office. Instructions also exist that the Missing Goods Report of those cases where the estimated loss is more than Rs. 1000/- should be scrutinised and enquiries started as soon as they are received in Claims Offices, so that the claims when received in claims offices, can be expeditiously settled. However, these instructions have once again been reiterated to the Zonal Railways for meticulous compliance at all levels.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-  
EC/VI/19 dated 27-12-1978].

**Recommendation Sl. No. 70 (Para 5.29)**

It has been represented to the Committee that payments of claims are held up due to non-receipt of other railways' acceptance or confirmation even though claims on merit are admissible. The Committee would like the Railways to look into the matter and consider taking necessary steps to simplify the procedure in this regard.

**Reply of Government**

It may be stated that suitable provisions already exist that settlement of compensation claims which are admissible on merits should not be delayed for fixation of inter-Railway liability. However, suitable instructions have once again been reiterated to the Zonal Railways to ensure that settlement is not delayed on this account.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

**Recommendation Sl. No. 71 (Para 5.30)**

The Committee are glad to note that the Ministry of Railways have responded favourably to the suggestion made by the trading circles that the Railways should accept applications for claims accompanied by "certified" copies of original documents and not insist on "originals" which may be submitted at the time of final settlement. The Committee hope that publicity will be given to this facility for the benefit of the public and necessary instructions in this regard will be issued to claims offices in all zones to ensure that this facility is extended to all the claimants without any hesitation.

**Reply of Government**

Instructions have been issued to the Zonal Railways that there should be no hitch in accepting applications for claims for compensation for goods lost, damaged etc., which are accompanied by certified copies of the original documents. However, at the time of final settlement of claims the original documents would be obtained from the claimants for proper verification of the claims and to prevent duplicate or spurious claims being preferred.

Instructions have also been issued to the Railways that necessary publicity should be given in this regard.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

**Recommendation Sl. Nos. 74 & 75 (Paras 5.33 & 5.34)**

"A number of private sector organisations have stated that the Railways sit tight over claims cases till legal notices are served or legal proceedings are initiated. A public sector undertaking, while making a similar complaint has stated that there appears to be a



'general tendency for repudiation of claims either by inaction or long silence and claims are seldom settled until threat is held out for legal action.' The Ministry of Railways have stated that 'this allegation is not correct.' The Ministry have added that it is their constant endeavour to settle compensation claims as expeditiously as possible and it is not their intention to force the claimants to resort to legal action. The Committee consider it unfortunate that such an impression about the attitude of Railway Administration towards claimants, even if it is unjustified, prevails among trading and industrial circles in private and public sector. The Committee would like to reiterate that the Railways should give wide publicity to the measures taken by them to speed up claims settlement work and encourage public and private sector enterprises and organisations to bring long pending claims and other matters to the notice of highest Railway authorities in the respective zones who should look into them and take prompt and conclusive action."

"The Committee find that an impression prevails amongst traders that the officers are hesitant in taking a decision on high value claims and they prefer such cases to go to courts. It is stated that when such cases are brought to the notice of the General Manager of the Zone concerned by the Chambers of Commerce and Industry, these are finalised "very quickly". The Committee are not happy at the senior officers evading the responsibility for deciding high value claims. They would suggest that, as is the practice in some places already, General Manager or other senior officers of a Zone should periodically hold meetings with representatives of recognised organisations of traders and industrialists to discuss outstanding claims cases and to expedite their settlement across the table."

#### **Reply of Government**

The recommendations have been noted and same have been brought to the notice of the Zonal Railways for suitable action.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

#### **Recommendation Sl. No. 76 (Para 5.35)**

The Committee note with concern that the Minister of Railways and Railway Board have been receiving a large number of complaints regarding settlement of claims *vide* para 5.22 of the Report. The Committee would suggest that, after disposing of the complaints, the Ministry should critically analyse these complaints to find out the basic factors which give rise to these complaints and take steps to avoid similar complaints in the future. ●

#### **Reply of Government**

The suggestion of the Committee has been noted. The complaints received in the Ministry of Railways are critically examined.

and wherever any serious lapse on the part of the railways is noticed, the same is brought to the notice of the concerned railways to avoid recurrence of such complaints in future.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

### **Recommendation Sl. No. 77 (Para 5.36)**

Though the Committee in their 10th Report (1967-68) had recommended that there was need to compile a handbook on claims procedure for the guidance of the trading public and the Ministry in their Action Taken Note had informed the Committee in 1968 that "A Guide for Claimants has been prepared and arrangements are being made to publish it," the Committee regret to note from the handbook containing principles rules and procedure for the preferment and disposal of claims which was supplied to the Committee along with Supplementary Material (February 1978) that it was published only in 1965. This clearly shows that not only has the Railway Administration done precious little to keep the claimants informed of the prevailing procedure for preferring claims, but it has also failed to implement an earlier recommendation of the Committee accepted by the Ministry. This is reprehensible. The Committee would like the inordinate delay in bringing out a handbook of rules and procedure for the preferment and disposal of claims to be enquired into and the Committee informed of the result. Responsibility should also be fixed for the lapse. The Committee would also like that the handbook may now be brought out without any further delay and copies made available to the trading public on payment and also supplied to scores of members of the Railway staff who are scattered all over the country and trying to grapple with the problems of claims on their own. The Committee expect that the handbook would be kept up-to-date by bringing out revised editions or issuing correction slips from time to time.

### **Reply of Government**

The delay in compiling a handbook on Claims Procedure was mainly due to the fact that the sale of the printed publication of the earlier issue on this subject was not encouraging. Many zonal railways and the Railway Board, therefore, issued handbooks free of cost giving necessary information regarding preferment of claims and seeking cooperation of the rail users in claims prevention also. These free publications were distributed to the Chambers of Commerce and important rail users.

The Recommendation of the Committee has been noted and a revised priced pamphlet on "Principal Rules and Procedure for the Preferment and Disposal of Claims and Refunds on Railways" has been compiled and will be printed shortly and made available to the trading public.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

### **Recommendation Sl. No. 79 (Para 5.55**

In spite of the improvement claimed by Railways in reducing the average time taken in settling claims from 55 days in 1976-77 to 48 days in 1977-78, the Committee cannot but take cognizance of the common complaint of public and private sector enterprises and institutions that Railways take unduly long time in settling claims. It is stated that the "settlement of claims within the time limit is the exception rather than the rule" and that generally the time taken ranged "from 8 months to over two years". Some cases, according to a prominent public sector undertaking, have been settled even after a period of 5 to 10 years from the time of preferring claims. It is unfortunate that what the Railways claim to have achieved in this field has left the trade and industry unconvinced and unsatisfied. Obviously much more has yet to be done to see that the results of efficiency brought about by the Railways percolate down to the ground level and are seen by their clients. The Committee feel that public and private sector enterprises and institutions should be informed of the efficiency brought about by the Railways in the working of claims settlement machinery and these institutions and enterprises encouraged to bring to the notice of high authorities in the respective zones the cases of inordinate delay in the settlement of claims. The Zonal authorities should then direct all their energies at disposing of the pending cases without delay as it is only by practical demonstration rather than by claims on paper that the Railways' claim to have brought down the average period of settlement of claims to 48 days can carry conviction with the trade and industry.

### **Reply of Government**

The observation made by the Committee has been noted. The Zonal Railways have been directed to make all out efforts to achieve the targetted period for settlement of claims for compensation adding that there should be qualitative and quantitative improvement in the matter of disposal of claims so that there is customer satisfaction. A special watch is also maintained to ensure that target for expeditious settlement of claim is achieved and delays at every level reduced. As a result of the special drive in this regard the average time taken for settlement of claims on Indian Railways in August, 1978, is 37 days.

However, it may be pointed out that though there is general improvement in the expeditious settlement of claims, the position in respect of public sector organisations is not to their satisfaction on account of some delays in some cases. The delays are caused in many cases on account of delay in furnishing documents and other information necessary for final disposal of these cases. Frequent meetings are held with the public sector organisations to expedite settlement of their claims and seek their cooperation in this regard.

Railways Inspectors and Tracers also visit these organisations regularly for this purpose.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

### **Recommendation Sl. No. 81 (Para 5.58)**

From the information furnished by the Northern Railway and the Budget Speech (1978) of the Minister of Railways, it appears there is some mix-up about the average and maximum time limits laid down by Railway Board for settlement of claims. While according to the instructions issued by the Ministry of Railways, "the average time taken for settlement of claims should not exceed 30 days", and according to the Budget Speech of the Minister for Railways (1977) as reported by the Ministry in Preliminary Material, "even in individual claims cases, the time taken for settlement should not normally exceed six weeks", the note furnished by the Northern Railway and the Budget Speech of the Minister (1978) conveys an impression that the objective before the Railways is to settle claims within an average time of 6 weeks. The Committee would like the apparent confusion in this regard to be removed forthwith for the guidance of the Zonal Railways and the position made clear beyond any doubt that while the objective is to dispose of claims within an average time of 30 days, the individual cases, the time to settle claims may exceed 30 days but not 42 days.

### **Reply of Government**

The position has been clarified to the Zonal Railways. Even according to the existing instructions wherein a target of 30 days has been laid down as an average time for settlement of claims it has been clarified that a certain percentage of cases particularly of higher valuation in which consignments pass over a number of Railways, require longer time for tracing. Similarly, verification in some higher valuation cases where papers are not readily available with the claimants may take longer time. The Minister of Railways during his Budget Speech of 1977 has emphasised the importance of expeditious settlement of claims by stating that even in individual cases the time taken for settlement should not normally exceed six weeks. These targets have been properly explained to the Railways and a special drive to settle claims expeditiously has been undertaken, as a result of which the average time taken for settlement of claims on Indian Railways has come down to 38 days in July '78, as compared to 51 days during July, 1977. The Zonal Railways have been suitably advised to make all possible efforts to settle claims expeditiously. Their performance in this respect is being kept under constant review.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

### **Recommendation Sl. No. 83 (Para 5.60)**

The Committee are informed that though no definite time limit has been fixed for making payment after claim has been accepted, "pay order" for the accepted amount is expected to be remitted in about 10 days time and the cheque in about 20 days time after the decision has been taken to pay a claim. The Committee see no reason why it should take 10 to 20 days to remit "pay order" or cheque and why it cannot and should not be done within a day or two after the claim is admitted. The Committee would like the Ministry of Railways to streamline the system of making payments for accepted claims so as to ensure that payments are made without delay.

### **Reply of Government**

Instructions are being issued again by the Ministry of Railways to the Zonal Railway Administrations to ensure that payments in respect of accepted claims are made within a period of 15 days.

The Ministry of Railways submit that in a vast organisation like the Railways, where suitable and necessary internal checks in respect of payments from the Consolidated Fund of India cannot be done away with it will not be practicable to lay down that all payments of this nature should be made within a day or two. The time required for arranging payment in cases decided by the claims officer has to take into account the time involved in preparing pay orders by the Commercial Department, check of the pay order and issue of cheques by the Accounts Department and despatch of cheques to the payees by the Cash and Pay Department. Taking these into account time-limits have been fixed and machinery has been instituted to maintain a watch on the disposal and settlement of claims through all the stages. Procedures in these respects are constantly under watch with a view to introducing refinements as and when necessary.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 27-12-1978].

### **Recommendation Sl. No. 85 (Para 5.62)**

The Committee also note from the information furnished by the Northern Railway that at present payment of compensation claims is restricted to budgeted amount and no extra payment is possible. This lends credence to the representation made to the Committee, that, even after claims are admitted or decreed, payments are delayed by the Railways. In the opinion of the Committee there is no legal or moral ground to delay payment of Compensation to the claimants whose claims are admitted by Claims Settlement Officers or decreed by courts at a time when budgeted amount with the Railways might have been exhausted. The Committee strongly urge that delay on this ground is wholly indefensible and should never be allowed to occur and additional funds must be arranged to settle the accepted claims of such claimants.

### Reply of Government

The observations of the Committee are noted and necessary instructions have been issued to the Railway Administrations. In this connection, the Ministry of Railways would submit that the impression created by the information furnished by the Northern Railway is not correct. While the Railway Administrations are required to estimate their expenditure under various heads correctly and ask for additional funds wherever required, there is no such stipulation that payments becoming due should be withheld for want of budget provision. This position has been suitably clarified to the Railways.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-1-1978].

### Recommendation Sl. No. 86 (Para 5.63)

The Committee are not in favour of the suggestion made by some representatives of trade and industry that if a decision on a claim is not communicated to the claimant within a reasonable period, the liability to pay compensation should, *ipso facto*, devolve on the Railway. But they do feel that the Railways should devise a system that in case a decision is not taken on a claim within a reasonable period, say 6 months, detailed reasons for the delay and the time likely to be taken in coming to a decision on the claim are explained to the claimant soon thereafter.

### Reply of Government

The recommendation of the Committee has been noted. Suitable instruction has been issued to the Zonal Railways that in cases where disposal of compensation claims is likely to be delayed beyond six months, reasons for the delay in disposal of the claims and the time likely to be taken in disposal of the claim should be explained to the claimant. Any information or document necessary for the expeditious disposal of the claim should also be brought to the notice of the claimant for early compliance.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 27-12-1978].

### Recommendation Sl. No. 87 (Para 5.69)

From the memoranda submitted to the Committee by public sector and private sector institutions, the Committee find that these institutions have a grievance that the reasons for repudiation or reduction of claims are not given in all cases and where all the reasons are given, these are often not sound and convincing. It is unthinkable that a claims officer who is supposed to act in quasi-judicial manner

while disposing of a claim should repudiate or reduce the claims without recording adequate reasons. The Committee would urge upon the Ministry of Railways to look into this matter and ensure that no claim is repudiated or reduced arbitrarily and reasons in support of the decision of the claims officer are recorded and communicated to the claimant to enable him to decide the future course of action on such claims.

### **Reply of Government**

The recommendation has been noted. By and large the claims for compensation are decided judiciously and reasons for repudiation and reduction in amount are explained to the claimants. The claimants are also availing of the facility of discussing individual or group of claims cases if they are not satisfied with the reasons given for repudiation of these cases. However, the recommendation has again been brought to the notice of the Zonal Railways for suitable action.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

### **Recommendation Sl. No. 89 (Para 5.89)**

The Committee note that the Railway Board issues directives and guidelines to the Zonal Railways in the matter of prevention of loss and damage to consignments and settlement of claims, analysis of the cause-wise and commodity-wise statistics of compensation claims for watching the trend and taking appropriate preventive measures. The actual work regarding scrutiny and settlement of claims and all allied matters is done at the Zonal Railways level keeping in view the statutory liability of the Railways which has been clearly spelt out in the Indian Railways Act. Periodical meetings are held by the Railway Board with the General Managers of the Zonal Railways and "at times" questions relating to compensation claims are "also" discussed in their meetings. The Committee feel that matters regarding loss and damage to consignments and compensation claims, which cost the exchequer a heavy amount of over Rs. 13 crores annually, should receive a more serious attention and should be a subject of regular and periodical review at the Railway Board's meetings with General Managers as such review will provide valuable opportunities to the policy makers at the Centre and the Chief Executives in the zones to benefit from one another's experience and to evolve, in their collective wisdom, solutions to problems that they may be facing in their respective regions in this regard.

### **Reply of Government**

The recommendation is noted. The subject of claims and claims prevention is discussed in depth in periodical meetings of Chief Claims-

Officers of the Zonal Railways held by the Member Traffic, Railway Board in which the General Manager of the concerned Railways, where the meeting takes place, also take part. Whenever the periodical meetings of the Board are held with the General Manager the latest claims position of different zonal railways will be circulated, and in the event of any sharp deterioration or unusual development regarding claims or claims prevention this item will be specially discussed in the meetings.

Moreover it may be mentioned that all the General Managers are personally sending a detailed monthly review to the Member Traffic in respect of claims settlement and claims prevention, outlining the improved efforts on their Railways in this regard. It is on account of these constant and sustained efforts at the highest levels that substantial improvement in respect of claims has been achieved.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 27-12-1978].

### **Recommendation Sl. No. 90 (Para 5.90)**

From the discussions held with various Zonal Railways in the course of their tours, the Committee found that the procedural improvements and experiments made in one zone in regard to booking, handling and delivery of consignments (e.g. stencilling of names of destination stations on wagons issue of duplicate copies of forwarding notes) were not widely known in other zones. The Committee have also seen that in regard to certain matters (e.g. time taken to grant open delivery), the Railway Board did not have full information about the practice followed in certain zones. The Committee feel that the Management Information System at the Board's level needs to be streamlined and the Board should not only make arrangements to monitor information on all the important aspects of claims settlement and claims prevention work done in the zones but also act as a centre to disseminate information about the experiments and innovations made in one zone to other zones.

### **Reply of Government**

The observation of the Committee has been noted. This is already being done through monthly Claim Prevention Reviews received from the General Managers of all zonal railways which are critically examined by the Railway Board and wherever any specific action is required the same is brought to the notice of the railway concerned. Moreover, after carefully scrutinising the information received from different railways, if any important aspect leading to improvement is reported by any railway, the same is brought to the notice of other zonal railways for guidance.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 27-12-1978].



**Recommendation Sl. No. 91 (Paras No. 5.91 & 5.92)**

The Committee note that the claims work, is, by and large, centralised at the Zonal Headquarters of the Railways except in the case of Northern, Southern and Eastern Railways where claims work is also done at Varanasi, Jodhpur, Bikaner (all Northern Railway), Tiruchirappali (Southern Railway) and Patna, Dhanbad, Chitpur, Sealdah and Howrah (all Eastern Railway). It has been represented to the Committee by some public and private sector institutions that under the Divisional System of operation of Railways the claims settlement work should preferably be done at Divisional Headquarters and powers delegated to the Divisional level officers to settle claims upto a prescribed limit. A similar suggestion to decentralise claims work to Divisional level with powers to Divisional officers to settle claims arising out of traffic originating and terminating within the same Division, to start with, has also been made by a Divisional Superintendent of a Zonal Railway. According to the Ministry of Railways, however, claims settlement work has been decentralised to the extent possible in that Station Masters and Inspectors at important stations are also authorised to settle small claims (upto the value of Rs. 200) and Mobile Claims Offices headed by Assistant Commercial Officers who have powers to settle claims upto the value of Rs. 2000 (in some zones Rs. 1000) are functioning at a number of important stations and that "it is not possible to further decentralise claims work and open claims offices at all Divisional headquarters" as such a step will entail additional expenditure on staff etc. without commensurate benefits and will also effect efficiency and quality of service.

On perusal of statistics furnished by Eastern Railway, for example, which show that only 624 out of 37364 claims cases in 1976-77 well in the jurisdiction of Station Superintendents and Commercial Inspectors and the rest were dealt with at the Headquarters level the Committee cannot but feel that the present level of decentralisation is illusory and does not go far enough to provide relief to small claimants upto Rs. 2000 whose number runs into thousands, (e.g. on the Eastern Railway their number was 24428 out of a total of 37364 in 1976-77). Having already decentralised the claims work to some extent the Committee feel that the Ministry should keep an open mind on this question and should not preemptorily rule out any further decentralisation of claims work. In the opinion of the Committee whenever volume of work justifies or other criteria laid down by Railways are fulfilled, the Ministry should not hesitate carrying the process of decentralisation further by raising the powers of Station Masters and Inspectors and delegating powers to more Station Masters with proper safeguards, extending the coverage and frequency of visits of mobile claims offices or opening subsidiary claims offices at important centres. In this context they may also consider empowering Divisional level officers to deal with claims arising on account of movement of goods within the Division. But in doing so the Ministry should not lose sight of the need to avoid unnecessary expenditure on staff and to ensure quality of service.

### Reply of Government

The observation of the Committee has been noted. The Ministry will keep an open mind on the question of further de-centralisation of claims work wherever necessary or the volume of work so justifies. The Ministry will also not lose sight of the need to avoid unnecessary expenditure on staff and to ensure quality of service as desired.

However, it may be mentioned that even with the existing procedure there has been considerable improvement in the expeditious settlement of claims.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

### **Recommendations Sl. Nos. 92, 93 & 94 (Para Nos. 5.100, 5.101 & 5.102)**

The Committee find that the Mobile Claims Offices stated to have been introduced "with a view to decentralising claims work and expediting disposal of compensation claims" headed by Assistant Commercial Officers (Claims) visit important railway stations to settle claims on the spot. They are, however, disappointed to note that these officers settled only 2 per cent of the claims (34372 claims out of a total number of 16,27,430 claims) received during the last five years (1972-73 to 1976-77) on all Railways, except Eastern Railway in respect of which figures were not furnished by Railway Board and South Eastern Railway where this system does not operate. This number is woefully small and can hardly justify the Ministry's claim of decentralisation of claims settlement work through Mobile Claims Offices. The Committee strongly recommend that the system of Mobile Claims Office should be made more active and the number of such offices considerably increased so as to cover all those places which have a sizeable number of claims. Till more Claims Offices are opened, the number & frequency of visits of Mobile Claims Offices should be progressively increased to enable them to dispose of on the spot the maximum possible number of small claims upto the value of Rs. 2000 arising at places away from the head-quarters.

The Committee are informed that publicity to the visits of Mobile Claims Offices is given in advance through local newspapers and also by addressing letters to the Chambers of Commerce of the Area, members of the Railway Users' Consultative Committee and through notifications exhibited at conspicuous places within the Station premises. The Committee would like the Ministry to ask the Zonal Railways to examine whether the expenditure incurred on advertisements through local newspapers is commensurate with the results achieved and whether the purpose cannot be served equally well by despatching notices to the local organisations of the traders etc. The

Committee are happy to learn that the Railways have accepted the suggestion to send personal notices to the claimants having pending claims at the time of such visits.

The Committee are informed that Mobile Claims Offices could not be held in South-Eastern Railway due to objections raised by organised labour unions who are stated to be of the opinion that "Mobile Claims Office will not help in expeditious settlement of claims, on the other hand, it will lead to corruption". The Committee suggests that a sample study of the working of Mobile Claims Offices in other zones may be got made through an independent unit of the Railway's Accounts Department, with special reference to the fairness or otherwise of the cases settled by these offices and, in the light of the results achieved, further efforts to introduce Mobile Claims Offices, with suitable safeguards, may be made.

### Reply of Government

These Recommendations have been noted and the same have been brought to the notice of the Zonal Railways for suitable action.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC|VI|  
19 dated 27-12-1978]

### Recommendation Sr. No. 95 (Para 5.110)

The Committee note that during the last 5 years from 1972-73 to 1976-77 the Railways contested 70056 cases in courts out of which they won 17794 cases involving an amount of nearly Rs.363 lakhs and lost almost double the number of cases (35892 to be precise) involving an amount of Rs. 577 lakhs approximately. This means that in 2/3rd of the cases contested in courts, the Railways were proved to be in the wrong. Contesting such cases in courts not only causes unavoidable expense and harassment to claimants but also results in infructuous expenditure on courts and pleaders' fees and the staff processing such cases in courts, which as mentioned elsewhere in this Report, amounts to Rs. 90 lakhs per annum. It will be in the interest of Railways if the cases are not contested in courts unless there are sound grounds for contesting them. Incidentally this would be a good gesture towards harassed claimants. The Committee would suggest that as soon as a notice of a suit is received, the relevant case should be critically re-examined not by the officer who had decided that case initially, but by a senior officer, independently to determine whether or not it should be contested in the court. The Railways should not fight shy of coming to a settlement out of courts in deserving cases. They should remember that the performance of the Railways in this particular sphere will be judged by the number of cases the Railways contest and lose every year in the courts.

### Reply of Government

The recommendation of the Committee has been noted and the Zonal Railways have been advised to take suitable action in the matter, to ensure improvement in their performance in respect of court cases, as recommended by the Committee.

However it may be mentioned that when notices of suits are received, the relevant cases are critically examined and a large number of cases *i.e.* more than 50 per cent are compromised out of court without contest saving considerable expenditure on litigation.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

### Recommendation Sl. No. 96 (Para 5.111)

The Committee note that non-attendance of Railway witnesses, non-production of documents at the appropriate time and lapses on the part of Railway advocates are some of the factors responsible for a large number of cases being decreed against the Railways. Obviously the choice of advocates is not based on merit and the cases are not pursued seriously by the concerned officers and staff. This reveals a very shocking state of affairs in the court sections of the claims settlement machinery. The Committee would like the Ministry of Railways to take a serious note of the lapses on the part of the staff because of whose negligence the cases are lost and also ensure that only competent and dedicated advocates are engaged to defend the cases in the courts and their performance is kept under watch.

### Reply of Government

The recommendation has been accepted and suitable instructions have been issued to the Railways.

A special drive has already been launched to improve the performance of Railways in respect of court cases. Suitable disciplinary action is taken against the staff found at fault in this respect. Performance of Railway Advocates is also watched by the Zonal Railways and those whose performance is not up to the mark are replaced by more competent lawyers.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

### Recommendation Sl. No. 97 (Paras 5.112 & 5.113)

The Committee note that the litigation is unusually heavy on certain Railways. For instance, the number of claims contested during the last five years was as high as 14520 on Central Railway, 15341 on Eastern Railway and 10764 on South-Eastern Railway as

compared to about 6000 on Northern, North-East Frontier and Southern Railways and still less on other Railways. The Committee would suggest that the reasons for unduly high number of cases contested and lost in the Central, Eastern and the South-Eastern Railways should also be analysed at a high level and corrective action taken to set the matters right.

The Committee are informed by a public sector undertaking that in many cases inordinate delay in the settlement of claims prompts the parties to have recourse to legal action so that the cases are not time barred and they become time barred if the law suit is not filed within 3 years of the incidence of the claim. This again is a reflection on the efficiency of the claims settlement machinery.

### Reply of Government

The suggestion of the Committee has been noted. On an analysis it was found that during the relevant five years period out of 14,520 cases shown as contested on Central Railway actually only 2,684 cases were contested and out of them 1,568 cases were won by the Railway, which works out to 59%. The remaining 11,836 cases were settled with the claimants out of court.

Suitable instructions have been issued to all the Railways to improve their performance in court cases and a special watch is kept in this respect with a view to achieve progressive improvement. The following statistics will show the improvement in this respect from 1976-77 onwards.

Year	No. of suits contested.	Suits dismissed in favour of the Rly.		Suits decreed against the Rlys.	
		No.	Percentage	No.	Percentage
1976-77	18,108	5,148	28.4	12,961	71.6
1977-78	12,202	4,682	38.4	7,520	61.6
1977-78 (April-Sept.)	6,756	2,160	31.9	4,596	68.1
1978-79 April-Sept.)	6,578	2,749	42.4	3,729	57.6

The above statistics will show the progressive improvement in the conduct and contest of court cases on the Railways. The percentage of cases won, to the total contested was 28.4 per cent in 1976-77, 38.4% in 1977-78 and further improved to 42.4% in the first six months of 1978-79. On the South Eastern Railway there has been substantial improvement in this regard. During the year 1977-78 out of 2266 cases contested the Railway won 1376 cases which works out to 60.7%. Eastern Railway where no improvement has been noticed in this respect has been asked to improve their position.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

### **Recommendation Sl. No. 98 (Para 5.114)**

The Committee are informed that the reasons for the suits decided against the Railways are analysed from time to time and corrective action taken to avoid similar mistakes in the future. Decisions given by the courts are considered as guidelines for formulating policy regarding settlement in future and the Claims Settlement Officers are given instructions to follow the rulings of the courts in subsequent cases so as to prevent unnecessary litigation. The Committee find that despite professed efforts of the Ministry to avoid unnecessary litigation, the litigation instead of coming down, has gone up during the last five years. The number of cases contested in courts has risen from 9759 in 1972-73 to 11160 in 1973-74, 12850 in 1974-75, 14798 in 1975-76 and 21589 in 1976-77. The percentage of contested cases to claims rejected by Railways have also gone up from 3.88 percent in 1972-73 to 11.68 per cent in 1976-77. The Committee are constrained to conclude that the claims are repudiated in majority of the cases on insufficient grounds and lessons are not learnt in the light of the decisions of the Courts. In the opinion of the Committee there is need to take more serious measures than taken hitherto to minimise litigation and to keep this aspect under constant review. It will also be helpful to compile and circulate an abstract of court rulings in claims cases to Claims Settlement Officers for their guidance.

### **Reply of Government**

The observation of the Committee has been noted and the railways have been directed to take suitable action in the matter. They have also been asked to circulate an abstract of court rulings in claims cases to the Claims Settlement Officers for their guidance. There has already been some improvement in the year 1977-78. While the total number of claims rejected in 1977-78 was 171865, the number of suits contested in the same year was 12202, the percentage of contested to rejected claims being 7.1%. This percentage has been further reduced to 6.6% in the first half of 1978-79. This is expected to improve further as the more reasonable policies adopted in Claims Settlement take considerable time to be reflected in intake of court cases as claimants are allowed 3 years to file suits.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

### **Recommendation Sl. No. 99 (Para 5.115)**

The Committee would like to draw attention to a press report appearing in the 'Financial Express' dated 13 March, 1978, under the heading "Madras High Court raps Railways for negligence",

in which the Madras High Court had criticised the action of the Railways in spending money for an appeal in a case in which negligence on the part of the Railways in dealing with the party's consignments "has been clearly established in the trial courts." Certain goods in this case were booked ex-Shalimar to Madras on Southern Railway on August 3, 1965, under 'Quick Transport Service' and these reached the destination (Madras) on 27 August 1965, after considerable delay en-route and were found damaged on arrival. The claim of the party was repudiated by the Southern Railway on the ground of inherent vice etc. The suit filed by the claimant in the court was decreed against the Railways in March 1972 and the appeal filed by the Southern Railway in the Madras High Court against the decision of the lower court was dismissed in March, 1978. From the abstract of High Court judgment as reported in the press, it is seen that "it was clear that there had been negligence on the part of the Railway which had put forward untenable defence without any material to substantiate the same. There was indifference on the part of carriers and even when the owner was the Union Government, the Railways had put forward 'frivolous and untenable defence'. The High Court is also reported to have observed that the Railways had filed the appeal even when they had not able to make out any of its defence in the lower court. All this makes a very sad reading. This also shows how innocent claimants can be harassed by the Railways by prolonged litigation. The Committee would like the Railway Board to go into this particular case to find out whether the case was dealt with judiciously in the Department and whether the decision to contest in the lower court and then to go in an appeal to High Court was taken after an independent and critical examination of the facts of the case. They would also expect the Ministry to take measures to avoid the recurrence of such cases in future as such cases bring a bad name to the Railways and inform the Committee of the measures taken.

#### . Reply of Government

The facts of the case are that 142 bags of wet salted goat skins were booked under Invoice No. 1090 of 3/4.8.1965 Ex-Shalimar to Madras (Salt Cotours) to be despatched under Quick Transit Service. The wagon containing the subject consignment was damaged and detached on 5.8.1965 at Jhadhupadi, a station on the South Eastern Railway, from the Salt Cotours Express, for wheel changing. The consignment was transhipped on 11.8.1965 into wagon No. CR-28251 which left on 12.8.1965. This wagon was received at Madras on 27.8.1965 and the consignment was delivered on assessment.

The claim of the party was repudiated by the Southern Railway on the ground of inherent vice and improper curing and salting, since as per expert opinion, properly cured skins can withstand transit upto 8 weeks, whereas the consignment in question had reached destination within 23 days. The claimant filed a suit in court which was

decreed against the Railway on 23.3.1972 on the grounds that detention at Jhadupadi for 7 days and further transit of 15 days from Jhadupadi to Madras was unreasonable. An appeal was filed by the Southern Railway in the Madras High Court but the same was dismissed.

The judgment of the High Court of Madras in suit No. AS78 of 1974 has been examined carefully in consultation with the Legal Adviser attached to this Ministry. It is not a fact there was any negligence on the part of the railway administrations in the matter of transporting the subject consignment. The detention of the wagon at Jhadupadi due to the same having developed hot axle was no doubt accidental. The Division Bench of the High Court was critical about the delay of 3 days for making arrangements for a substitute wagon and transhipment from Jhadupadi. It would be appreciated that 'S.O. Express' does not normally stop at Jhadupadi station and as such it was not possible to attach the substituted wagon to the said train. The wagon was despatched from Jhadupadi by ordinary Goods train and the same reached destination on 27.8.1965. It would thus be seen that there was no negligence on the part of the railway in transporting the consignment.

It is also significant to point out that one of the reasons for going in an appeal in the High Court of Madras was on account of favourable judgment delivered by the said court in suit No. AS828 of 1971 which was of similar nature. In the said suit, the facts of the case were that 56 bags of wet salted goat skin were booked from Raipur to Madras Salt Cotours under Invoice Nos. 1, 2 and 3 dated 9.10.1962 and Nos. 7 and 8 dated 16.10.1962. The consignments reached destination station after a delay of about 2 months as against the normal transit time of 12 to 15 days. On demand by the consignee, open delivery was granted and the Railway official granting open delivery assessed the damage at 35 per cent of *beejuk* value and issued three certificates to the effect. The plaintiffs preferred a claim for compensation for Rs. 3551.80 on account of damages to the consignments and subsequently filed a suit for recovery of the amount. The Railway in defending the suit put forward the argument that the skins had not been properly cured and salted and also had not been packed according to the prescribed packing conditions. The defective condition of the goods as well as non-compliance of the packing was recorded on the railway receipt and the said remarks were accepted by the consignor. The trial court dismissed the suit and in doing so, the learned Judge held that the damage caused to the goods was not due to alleged delay in transit but on account of inherent vice in the goods coupled with the fact that the goods had not been properly packed. The plaintiffs filed an appeal in the court of the Second Additional City Civil Judge, Madras and the learned Judge upheld the decision of the trial court and dismissed the appeal. The plaintiffs filed a second appeal in the High Court of Madras. The



High Court upheld the judgments of the lower courts. While delivering the judgment it was held by the Judge that it was the primary responsibility of the plaintiff to conclusively establish with documentary evidence as to when the skins had been purchased, when they had been cured and what had been the time lag between the time purchased, cured and despatched, to establish beyond doubt that the damage suffered by the consignment was not due to the inherent vice of the commodity. It was felt by the Railway that the aforesaid judgment would help them in getting a favourable judgment in Suit No. AS 78 of 1974 which was also of similar nature.

It may be stated that in a first appeal, unlike the second, the aggrieved party is entitled to argue not only on the law and facts but also on the probabilities and the surrounding circumstances of the case. In view of the position as explained above, it would not perhaps be correct to say that the filing of the appeal before the High Court was not justified in the instant case.

It may also be mentioned that appeals are preferred in High Courts against the judgment of lower courts after careful consideration on the basis of legal opinion obtained by the Railways. It may be stated that as recommended by the Committee in their Recommendation No. 95 (Para 5.110) suitable instructions has now been issued to the Zonal Railways in the matter of contesting the suit and preferring appeals in compensation claims cases.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC|VI|  
19 dated 30-3-1979].

#### **. Recommendation Sl. No. 100 (Paras 5.121 & 5.122)**

The Committee find that under a directive issued by the Cabinet Secretariat in December, 1975, all disputes between a Government Department and a Public Sector enterprise are to be resolved amicably by mutual consultations or through good offices of empowered agencies of the Government or through arbitration, and recourse to litigation has to be eliminated. In pursuance of this directive, the Food Corporation of India has withdrawn 277 suits involving a sum of Rs. 8,87,000 (approximately) out of the 290 suits for Rs. 9,67,000 (approximately) filed by it and the remaining suits are in the process of withdrawal. Steel Authority of India has stated that steel plants have refrained from filing suits against the Railways in view of the Government directive. As regards procedure to settle claims disputes, the Railway Board is stated to have advised the Food Corporation of India that disputed cases should first be discussed with the Zonal Railways right up to the level of Chief Claims Officer/General Manager and, if not resolved at that level, these should be referred to the Railway Board and in the last resort for arbitration through the Ministry of Law. Food Corporation of India has informed

the Committee that some of the cases are awaiting final decision at the level to Chief Claims Officer|General Manager for a long time. The Ministry of Railways do not consider it necessary to set up any special machinery to settle such disputes with Public Sector enterprises. The representative of the Ministry of Railways added another dimension to the procedure when he stated in evidence that if a dispute cannot be resolved by discussion between the Railways and the Public Sector Undertakings, the matter can be referred to Bureau of Public Enterprises and if there is a question of costing, it can be referred to the Chief Accounts Officer of the Ministry of Finance. All this leads the Committee to conclude that procedure for settling disputes between the Railways and the Public Sector Undertakings is in a fluid state and the parameters of the machinery for settlement of disputes are yet to be finally defined.

In view of the Cabinet directive to Public Sector Undertakings not to take recourse to litigation, an additional responsibility devolves on Railways to give them a fair deal in the matter of claims. In the opinion of the Committee reference of a dispute to the Railway Board after the decision of the Chief Claims Officer|General Manager is an avoidable stage as the Railway Board is not normally expected to show an approach different from that of the Zonal Railways where claims are settled in accordance with the directives of the Board. If the experiment of resolving disputes between Public Sector Undertakings and the Railways, which because of the very nature of their *inter-se* dealing are bound to be large, without recourse to litigation is to be made a success, there is an imperative need to make standing institutional arrangements and lay down precise procedure to settle these disputes fairly and promptly. The Committee would suggest that institutional framework in this regard may be evolved and formalised in consultation with the Bureau of Public Enterprises. The Committee also suggest that a time limit may be fixed for each stage in the claims settlement process including arbitration as otherwise the disputes may linger on indefinitely and this may erode the Public Sector Undertakings faith in this system. The Committee would like to be informed of the details of the institutional framework within 6 months of the presentation of this Report.

### Reply of Government

The recommendation of the Committee has been noted. The matter has been examined in consultation with the Cabinet Secretariat and the Bureau of Public Enterprises. The Cabinet Secretariat has advised that the detailed procedure as laid down by them for settlement of disputes between the Government Departments and the Public Sector Enterprises should normally be adequate for the settlement of disputes between the Railways and the Public Sector Enterprises. However, the matter is still under examination by the Bureau of Public Enterprises.

Moreover, it may be mentioned that discussions are held between the Claims Officers of the Railways and the representatives of the Public Sector Undertakings, when a claim is not settled by correspondence. The level of discussion is always raised when satisfaction is not received. This procedure makes it incumbent on the part of the officer to take reasonable attitude in case there is any tendency otherwise. It may also be added that on account of following this procedure of mutual discussion between the representative of the Public Sector Corporations and the Zonal Railways at the proper levels, a large number of disputed cases have been settled.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/  
19 dated 27-12-1978].

## CHAPTER III

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

#### **Recommendation Sl. No. 3 (Paras 1.21 and 1.22)**

While the Committee should have been happy at the sharp decline in the number of claims received and noticeable reduction in the amount of compensation paid in 1976-77, they are overtaken by a feeling of concern at the current trends which are far from reassuring. They are afraid that, if the amount of compensation paid during the first six months of 1977-78 (Rs. 736.61 lakhs as compared to Rs. 676.07 lakhs paid during the corresponding period in the previous year) can be taken to be a pointer, the year 1977-78 may end with payment of compensation of a higher order than the year 1976-77. This will be unfortunate. The Committee would urge upon the Ministry of Railways to sit up and take a very serious view of the situation and spare no effort to arrest and reverse this adverse trend without loss of time.

The Committee have dealt with in subsequent chapters of this report the various aspects of the problem of loss and damage claims on Indian Railways and have made suggestions to tackle the problem so as to keep the incidence of loss and damage to the minimum and to streamline the working of the claims settlement machinery.

#### **Reply of Government**

The amount of compensation paid for loss, destruction, damage, deterioration, non-delivery etc., of goods during the year 1977-78 was Rs. 1423.84 lakhs as against Rs. 1355.52 lakhs paid during 1976-77 thereby registering an increase in the amount of compensation paid by Rs. 68.32 lakhs. It may be stated that the increase in the amount of compensation paid was largely attributable to increased settlement of old outstanding high valuation claims coupled with the increase in the wholesale price index of goods.

It is significant to point out that during the first quarter of 1978-79 (April—June) a sum of Rs. 284.13 lakhs was paid as compensation for goods lost, damaged etc. as against Rs. 336.44 lakhs paid during the first quarter of 1977-78 (April—June), thereby effecting a reduction of Rs. 52.31 lakhs.

Sustained efforts are being made to achieve further improvement in the matter.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 16-11-1978].

**Recommendation Sl. No. 8 (Para No. 2.28)**

The Committee note that a feeling prevails amongst the traders that Railway Receipts are not prepared in terms of Forwarding Notes and the entries on Forwarding Notes can be manipulated. It has been suggested to the Committee that duplicate copies of forwarding Notes duly signed by Railways staff should be made over to the consignors. The Ministry of Railways have stated that one of the two parts of the Forwarding Note is filled by the consignor and other by the booking staff and the consignor can keep a copy of the Forwarding Note as prepared by him without the signature of the Railway Staff. The Committee feel that the suggestion for the supply of duplicate copy of Forwarding Note, duly signed by booking staff, deserves a careful consideration, if for no other purposes, at least to dispel the misgivings in the minds of the traders and to earn their goodwill.

**Reply of Government**

Preparation of duplicate copies of forwarding notes would involve additional work and additional expenditure. As has been mentioned in the reply to Point No. 28 (supplementary material) of the Committee's observations, it is always open to the consignor to keep a carbon copy of the forwarding note as prepared by him. So far as the particulars filled in by the railway staff are concerned, these are reproduced in the railway receipt which is given to the consignor. The forms of the forwarding notes are approved formats of the Central Government in accordance with Section 72 of Indian Railways Act, 1890. There is, therefore, no scope for any manipulation by railway staff. Under the circumstances, it is felt that issue of duplicate copies of forwarding notes does not appear to be necessary. But if the traders consider it necessary to have a copy of the forwarding note, they can always prepare a carbon copy of the forwarding note before submitting the original to the railways.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 16-11-1978].

**Recommendation Sl. No. 16 (Para 3.37)**

The Committee feel that the Claims Prevention Organisation in each Zonal Railway has a very vital role to play in minimising the incidence of loss and damage to Railway consignments. It should live up to its name and "prevent" loss and damage to consignments and not be content with merely issuing instructions and guidelines to the

field staff and arranging seminars. The Committee feel that the organisational, administrative and operational capacity of the Claims Prevention Organisation should be studied by an expert body with a view to suggesting measures to make it more effective and efficient in enforcing preventive measures and achieving better results.

### Reply of Government

The problem of Claims Prevention on the Railway has been examined in the recent past by the following expert bodies:—

1. One Man Expert Committee on Compensation Claims headed by Shri R. B. Lal, 1970.
2. One Man Expert Committee on Railway Security and Protection 1976 headed by Shri Kripal Singh.

These expert bodies made a number of valuable recommendations and suggestions with a view to preventing loss and damage claims. They also suggested organisational changes to improve the working of the Traffic and Security Departments. The recommendations of these Committees were carefully examined and accepted by the Ministry of Railways as considered feasible. The Claims Prevention Organisation has further been streamlined and strengthened by appointing a Senior Administrative Officer as Chief Claims Officer to head the Claims Organisation on each zonal Railway.

The Claims Prevention measures are vigorously being pursued on the Railways under the Supervision of the Chief Claims Officers and the Chief Security Officers with the coordination of the other departments. Educative campaigns in this regard are carried out so as to obtain willing co-operation and involvement of the staff. A general claims prevention consciousness has therefore been generated amongst the staff and they are encouraged to take effective steps in this direction. As a result of these measures the net amount of compensation paid during the last few years as also the ratio between the amount of claims paid and the total earnings has substantially gone down as shown in the statement given below:—

Year	Gross amount of compensation paid	Net amount of compensation paid	Gross freight earnings	Percentage
(Rupees in crores).				
1974-75	14.56	12.80	995.92	1.28
1975-76	15.26	12.89	1249.38	1.03
1976-77	13.56	11.39	1425.06	0.80

The amount of claims paid during the first four months of the current financial year i.e., from April to July, 1978 has also shown a reduction of Rs. 96 lakhs as compared to the corresponding period of the previous year.

The report of the Estimates Committee, 1977-78 on Loss and Damage Claims has been received and its recommendations are being processed for implementation after necessary scrutiny.

The liability of Indian Railways for compensation claims and appropriate claims prevention measures are dependent to a large extent on the condition of booking, carriage and delivery of consignments, Packing Conditions of different commodities and the tariff rates prescribed for the carriage of different commodities. This entire question is under examination at present by an expert committee namely, Railway Tariff Enquiry Committee. The report of this Committee is likely to be available by 1979.

In view of the foregoing it may not be opportune at the present moment, to appoint another expert body or a fresh committee to examine the working of the claims prevention organisation. However, the recommendation would be duly kept in view and after the receipt of the report of the Railway Tariff Enquiry Committee and implementation of the recommendations of the Estimates Committee on Loss and Damage Claims, the position will be reviewed and the recommendation implemented, if necessary.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 16-11-1978].

#### **Recommendation Sl. No. 21 (Para No. 3.44)**

The Committee are informed that Railways have not gone in for mechanical handling of goods in a big way in view of the prevailing unemployment in the country though the risk of damage and pilferage is more when goods are handled manually. While the Committee agree to this approach, they feel that certain devices can be introduced for safe handling of consignments without in any way affecting the man-power. For example, use of safer device in place of iron hooks to lift bags, carrying parcels packed in wooden crates on trolleys instead of rolling them on platform or letting a bag slide down from a wagon on a sloping plank than dropping it from that height are some of the devices which can be used to prevent damage to consignments. The Committee feel that a study may be made by an expert group to determine the fields in which such aids can be introduced without affecting the employment position.

## Reply of Government

Committee's observations have been noted.

Instructions have been issued from time to time for safe handling of consignments by providing trolleys for transport of parcels, 'small' consignments etc. at big stations, Repacking/transshipment points and for training of the labour in safe handling of bagged consignments using bag 'ears' for lifting them.

All the railways were also asked to contact trade to find out their willingness for palletisation so that more sophisticated handling equipments could be used wherever feasible without adversely affecting employment level. However, there has been little response from trade for palletisation.

Bulk of the rail traffic is booked in full wagon-loads, most of which is handled by consignors/consignees as per Rule 128 of Goods Tariff Part I (Vol. I).

As and when mechanical handling of goods is introduced in a big way it will require large scale remodelling of goods sheds and may also affect employment level.

Zonal Railways are investigating the fields in which mechanical handling can be introduced without affecting employment position. This work is of a simple nature and the findings will depend upon the nature of commodity, the quantum of traffic, the size of a goods shed etc. So it is submitted that an Expert Group is not considered necessary.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978].

### Recommendation Sl. No. 24 (Para No. 3.47)

It was suggested to the Committee by the Chairman, Coal India Ltd., that instead of deputing more and more men on surveillance work in goods sheds, yards etc., to prevent pilferage and theft, a more economical and more efficient method would be to instal electronic security systems which were widely used in other countries—both in industry and in defence. While informing the Committee of the various types of electronic systems that can be installed to guard premises against thieves and intruders, the Electronics Commission have stated that, for the protection of Railway yards etc., "one has to make a through analysis of the requirements and for each different lay out, a separate system has to be designed." The Electronics Commission have offered to make a feasibility study of the problems if a specific request is made to them by Railways.



### Reply of Government

In view of the financial constrain and other important works at hand it is not considered feasible to instal electronic security system in sheds and yards at present. Most of the yards are open on all sides and certain basic security measures like perimeter wall will have to be constructed before setting up any electronic device. This suggestion will be taken up for consideration at the appropriate time.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978].

### Recommendation Sl. No. 39 (Para No. 3.107)

The Committee would like that, in the mean time as suggested by the Northern & Eastern Railways, the existing computers in the Zonal Railways should also be utilised in the process of search of missing and unconnected wagons so as to cover major booking points and marshalling yards which are at present not covered by the Computer Centre of the Railway Board and thus make the process of tracing really effective and fast.

### Reply of Government

The Computers on the Railways are being used to near optimum capacity and little or no time is available for taking over any new major applications. Further, to develop capacity on the existing computers for undertaking wagon control etc. work, facilities by way of random access (disks) and teleprinters for transmission of data etc. would be required. As the present computers are in the process of being replaced, it will not be worthwhile to provide these facilities at this stage.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978].

### Recommendation Sl. No. 43 (Para No. 3.111)

The Committee are informed that in certain foreign countries there is compartment built in the under-carriage in which labels containing necessary particulars about the wagons are kept and sealed. The Committee would like the Railways to examine whether a small weather-proof lockable compartment in the under-carriage of a wagon would not be a safer place than the side brackets to keep the card-labels. If this proves practicable, the Committee suggest that a progressive use may be made of this built-in-chamber.

### Reply of Government

On Indian Railways use of card lables, placed inside the bracket label holders, is to facilitate inspection by the yard staff etc., for proper

passage of wagon. The flap cover provided on such label holders protects the card label from dust and/or rain water. The bracket label holders are located at a place considered convenient for reference by guard/yard staff etc. while walking alongside the wagons. The under-carriage compartment in use in certain foreign countries, as referred to, is probably in respect of safe carriage of a transit invoice incorporating booking details of the consignment loaded in the wagon for reference by the staff at the destination station of the wagon. Such arrangement, possibly, would also be useful for connecting an unconnected wagon without necessitating its opening.

On Indian Railways, transit invoice bearing all the booking particulars of the consignment loaded in the wagon is placed inside the covered wagons in a bracket provided for the purpose. The transit invoice in case of open wagons is either kept inside the wagon or tied inside the bracket label holder (particularly during monsoon season) in addition to placing in pocket labels therein. If the bracket labels of a covered wagon get lost, duplicates are prepared and placed in the wagon label holder on the basis of the particulars available on the seal card. If the seal card is also missing, a wagon as per the existing practice, is considered 'unconnected' despite the seals of the doors remaining intact and the wagon is required to be isolated and placed at a separate point, *i.e.*, goods shed or repacking shed, for opening the wagon and connecting the consignment on the basis of transit invoice or paste-on labels or markings on packages. An open wagon even with the loss of both the pocket labels and in the absence of paste-on labels, becomes unconnected and requires to be detained for connecting purposes. A built-in compartment on the under-carriage of the wagon can as such be useful only for connecting an unconnected wagon whether covered or open without necessitating its isolation and placement elsewhere.

A scheme has already been evolved for introduction of metal tape seals with destination station of the wagon embossed on such metal tape seal. With the use of such metal tape seal and the proposed revised procedure, a wagon can still reach destination, despite loss of pocket labels and seal cards if metal tape seal remains intact. Under this scheme connecting of a wagon by isolation for opening of doors would not be necessary, giving the same advantage as by provision of a built-in compartment at the under-carriage of a wagon. If use of metal tape seals is introduced both on covered and open wagon, there would be no need to consider building an additional compartment in the under-carriage of wagons.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978].

#### **Recommendation Sl. No. 51 (Paras 3.145 & 3.147)**

The Committee are informed that there is no system of freight insurance on the railways but in many cases consignors at their

own initiative insure their consignments for transit losses with the insurance companies who, in the event of loss, pursue the matter with the railway authorities to obtain settlement of claims on behalf of their clients. According to the Eastern Coalfield Ltd., a public sector undertaking, if the railway claims are settled expeditiously, there would not be any necessity for the consignors/consignees to take insurance policy for railway consignments. The fact that a number of enterprises and institutions have felt the necessity of an insurance cover for their consignments and are prepared to pay an extra charge for it, is a meaningful comment on the efficiency of the claims settlement organisations in the railways.

The Committee note that the question of introducing freight insurance scheme for goods carried by railways was examined in 1973 in consultation with the General Insurance Corporation of India but the scheme was not found feasible in view of the magnitude of the problem. The Committee feel that in view of the widely felt need for insurance cover, the feasibility of introducing freight insurance scheme in a limited sphere, to start with, say, for consignments of high value and full wagon load consignments may be re-examined and the result of such examination may be communicated to the Committee within 6 months.

The Committee note that in respect of articles mentioned in the Second Schedule to the Indian Railways Act and costing more than Rs. 500/-, an 'insurance charge' or what is known as 'percentage charge on value' is collected for the increased risk involved in the carriage of valuable articles and also for special arrangements required to be made to carry such goods. The payment of percentage charge is optional. The Committee would like that, while re-examining the feasibility of freight insurance scheme referred to in preceding para, the Ministry of Railways may also consider whether the "percentage charge on value" scheme already in vogue for certain articles mentioned in the Second Schedule to the Indian Railways Act cannot be converted into a sort of general freight insurance scheme and progressively extended, on an optional basis, to a larger number of consignments. In such cases, however, the Railway authorities would have to make sure that, in the event of loss or damage of a consignment, the consignees/consignors get the benefits and services which at present are provided by the Insurance Companies.

### **Reply of Government**

The recommendation of the Committee has been made in the context of delay in settlement of claims or complaints of wrong repudiation of claims. Detailed instructions have been issued from the Ministry for expeditious and proper settlement of claims and a special drive has been launched in pursuance of Minister's assurance in Parliament to settle claims expeditiously. As a result of this drive the number of old

cases has been greatly reduced and the average time taken for settlement of claims has also been brought down significantly on all Zonal Railways.

The possibility of introducing a Freight Insurance Scheme, even in a limited way, has been examined and it is to be pointed out that since the liability of the Railways in respect of carriage of goods is defined by law it would not materially change by introducing a freight insurance cover by the Railways.

The percentage charge on value or insurance charge for certain articles in the Second Schedule costing more than Rs. 500, only covers the existing liability of the Railways in respect of loss or damage to such goods. In the absence of declaration of payment of these extra charges under Section 78B, the Railway is completely exempted from having any liability. Hence introducing more articles into the Second Schedule cannot benefit the claimants in the matter of Railways' liability or settlement of claims. However, the matter is under examination as part of the proposed revision of the Indian Railways Act by which instead of having a specific schedule for fixed number of articles, fixed rates for luggage and goods are being provided for consignments of higher value of all commodities beyond certain limits. This, in a limited way, may be called a step towards insuring consignments of high value or full wagon loads on the request of the consignor.

A comprehensive scheme of insurance involving both the Railways and the General Insurance Company has not so far been found feasible, and it may be too costly for most of the commodities to bear. On the other hand, achievement in respect of expeditious settlement of claims and higher percentage of claims being settled by payment in recent years should obviate the need for this costly provision of extra insurance cover.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC|VI|19  
Dated 27-12-1978]

#### **Recommendation Sl. No. 61 (Para No. 4.46)**

The Committee note that according to RPF Regulations no RPF personnel can normally be retained at the same station for a period of more than 3 years. The period of 3 years can, however, be extended to 4 years with the approval of Chief Security Officer on human considerations. Such cases were stated to be very few. The Committee hope that exceptions to three-year rule are granted sparingly and only in very genuine cases and with the prior approval of the Chief Security Officer. The Committee would like that a maximum period of posting at the same station even in exceptional circumstances should be fixed and it should not be exceeded in any case.

### **Reply of Government**

While accepting the recommendation of Administrative Reforms Commission, the Railway Board had revoked the practice of periodical transfer of staff who come in contact with the public. However, in the RPF all members of the Force, excepting those who belong to Special Intelligence Branch, Crime Intelligence Branch, Prosecution Branch and Fire Service who have completed 3 years stay at a particular station are transferred out. In the case of Special Intelligence, Crime Intelligence, Prosecution Branch and Fire Service the period of stay at a particular station is upto 5 years. If, due to administrative interest a member is to continue for a longer period beyond 3 years, specific orders of the Chief Security Officer are obtained. There are, however, a few cases of staff who may have to be retained at one station for compelling domestic reasons or where the Administration considers it necessary to retain them longer at a station for administrative reasons. In the circumstances it will not be possible to lay down any rigid upper limit.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

### **Recommendation Sl. No. 64 (Para No. 4.49)**

The Committee were informed that the working of the Railway Protection Force was studied by a High Power Committee on Security and Policing on the Railways (which submitted its report in 1968) and also by the One Man Expert Committee (which submitted its report in 1976). It is seen that both these Committees have made a number of useful suggestions for the more efficient utilisation of Railway Protection Force with special reference to their role in the prevention of loss and damage to railway property and the public property entrusted to the railways for carriage. The recommendations of both these Committees, it is stated by the Ministry, "are being implemented in a phased manner". The Committee would like the Ministry of Railways to draw up a time-bound programme for the implementation of their recommendations as this would go a long way in minimising the incidence of loss and damage of consignments booked by railways.

### **Reply of Government**

The High Powered Committee on Security and Policing had made 177 recommendations in all. It has not been found possible to accept 20 out of these recommendations. 141 recommendations have been accepted/accepted in principle/accepted with modification and suitable instructions have been issued to the Zonal Railways for their implementation. 2 recommendations were merely observations and have been noted. The remaining 14 recommendations pertaining to the conferment of legal powers to the R.P.F. are under active consideration in consultation with State Government/Ministry of Home Affairs and Law.

The One Man Expert Committee on Railway Security and Protection has made 185 recommendations. Out of these 185 recommendations, 109 recommendations have been accepted/accepted in principle/accepted with modification and suitable instructions have been issued to the Zonal Railways for implementation. 4 recommendations are merely observations and have been noted. 28 recommendations have not been accepted. The remaining 44 recommendations mainly pertaining to strengthening of Government Railway Police and sharing cost thereof between State Governments and the Railways; enhancement of legal powers of Railway Protection Force; constitution of a separate Class I service for the Railway Protection Force and cadre restructuring of Railway Protection Force are under active consideration with the concerned departments of Railways/other Ministries and State Governments.

In view of the position explained above, it is not possible to evolve any time bound programme for their implementation.

[Ministry of Railways (Railway Board)-O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

#### **Recommendation Sl. No. 67 (Para No. 5.26)**

It has been suggested to the Committee that a time-bound programme should be laid down by the Railways for each stage of work to be done by the staff in the process of examination and settlement of a claim and officers should ensure observance of the time-schedule. This, in the opinion of the Committee, is a good suggestion and should be suitably incorporated in the detailed procedure of working of the claims settlement machinery as it will introduce an element of urgency at each stage and ensure expeditious disposal of claims.

#### **Reply of Government**

A time-bound programme for settlement of claims has already been laid down for the Railways. As per the recommendation of the One-Man Expert Committee on Compensation Claims, a target of 30 days as the average time for settlement of claims has been fixed and the Railways have been asked to work up to it.

Again in 1977, instructions were issued to the Railways to streamline and simplify the machinery for dealing with the claims so as to achieve qualitative improvement and to ensure that claims are disposed of within a reasonable time which normally should not exceed six weeks but as far as possible effort should be made to settle all claims within 30 days.

As a result of the special drive on different Zonal Railways the time taken for settlement of claims has been considerably reduced and the closing balance of claims has also come down substantially. However in cases of claims for high valuation where consignments have to

be traced on different Railways or the original documents have to be verified to arrive at the correct amount of compensation or to prevent exaggerated claims or frauds, thorough enquiries have to be made which take longer time. The cooperation of the claimants is also sought to furnish documents expeditiously. It is the constant endeavour of the Railways to settle claims as early as possible.

Since the enquiries are necessary before the final settlement of a claim very substantially from claim to claim, particularly those pertaining to inter-railway transactions, it is not practicable to lay down a specific time schedule for each operation.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

### **Recommendation Sl. No. 72 (Para No. 5.31)**

It has been represented to the Committee that the period of 6 months allowed for loading a claim should be counted from the date of delivery of the consignment and not as provided at present, from the date of booking of consignment, as grant of open delivery and issue of shortage certificate by the Railway staff take time and consequently the time left at the disposal of the claimant is much less than six months. There is force in the reasons advanced in support of the suggestion. The consignments lost or mis-directed in transit would of course have to be dealt with differently. The Committee would like the Railways to extend the period so as to give a clear margin of 6 months from the date of consignments for filling the claim.

### **Reply of Government**

A clear margin of six months from the date the consignment is delivered for carriage to the Railway Administration has already been provided in the law under Section 78B. There is a definiteness about this period. Apart from this a proviso has been added to Section 78B according to which, any information demanded or enquiry made in writing within the said period of six months shall be deemed to be a valid notice for compensation claim. This proviso is added to take a liberal view of the matter and not to reject claims merely on technical grounds that the claim was not preferred in time. However, the suggestion to provide a dual time schedule for preferring claims, one from the date of delivery and the other from the date of booking was examined while considering the revision of the Indian Railways Act. It is felt that if two different periods are provided for different types of claims it would not only cause confusion in the minds of the claimant but will also give rise to conflicting interpretations from the courts of law and claims offices. It is, therefore, desirable as provided at present under Section 78B to have the period of limitation for six months from the date of booking with a proviso that any enquiry made or any information demanded within the said period shall be deemed to be a valid claim. In fact, according to the extent rules,

even an intention to file a claim if communicated in writing constitutes a claim filed within the validity period.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

### **Recommendation Sl. No. 73 (Para No. 5.32)**

The Committee have recommended elsewhere in this Chapter that payment in respect of a claim should be made within a day or two of the date on which decision to admit or pay the claim is given by the Claims Officer. The Committee find that, while the traders would like interest to be paid on unpaid amounts in respect of admitted claims in case of inordinate delay, the Ministry of Railways are not agreeable to this suggestion. In support of their stand, the Ministry have referred to Section 78(d) of the Indian Railways Act which provides, *inter alia*, that a railway administration shall not be responsible for "any indirect or consequential damages or, for loss of particular market." The Committee see no bar in Section 78(e) to the payment of interest in such cases. There is hardly any excuse for inordinate delay in making payments after a claim has been admitted by Claims Settlement Officer or decreed by a court of law and in all fairness the Railways should make amends for the delay in such cases. If inordinate delay takes place, the responsibility for the delay should in any case be fixed and action taken against the defaulters. The Committee would also like the Railways to examine the practice obtaining in other Government Departments like Income-tax Department where similar or near similar situations arise, and consider introducing a system of paying interest or giving compensation in some other form to the claimants.

### **Reply of Government**

In the reply furnished to Recommendation No. 83 it has been brought out why payment cannot be arranged in respect of accepted claims within a day or two. It has also been brought out therein that as per the instructions issued payment will be arranged within about 15 days after the claim is accepted. While it is accepted that there is no excuse for inordinate delay in making payments after a claim has been admitted it would also be appreciated that the instructions as issued aim at avoiding any inordinate delay in making payments. If and when inordinate delay does take place responsibility for the delay would be fixed and action taken against the defaulter as suggested by the Committee. Further instructions on this will be issued shortly.

While the payment of interest has been suggested by the Committee it would be appreciated that with the issue of instructions for making payments without delay, the need for payment of interest should not be there. The object of the recommendation, it is presumed, would be achieved by the Railways ensuring payment of accepted claims within the minimum period reasonably required for internal checks.



Apart from the consideration that the Railways should not be made responsible for consequential damages, there is one important consideration that should be kept in view while taking a view on this issue. In the case of Income-Tax, in respect of which the scheme of payment of interest was introduced on the basis of the recommendations of the Direct Taxes Administration Enquiry Committee, what is required to be refunded to the claimants is the excess tax already collected and credited to the Consolidated Fund of India. That money had already been used by the Government. In the case of claims against the Railway, only the freight charges (in respect of "Paid" traffic) would have been credited to the Government account, whereas the payments to be made to the claimants cover also the cost of goods lost or damaged, credits in respect of which have not been received by the Government. This difference needs to be kept in view.

In all the circumstances, the need for introducing a system of payment of interest or giving compensation in some other form to the claimants out of the Consolidated Fund of India causing additional burden to the Government finances should be avoided.

The Ministry of Railways would, therefore, plead that this recommendation may not be pursued and may be treated as dropped.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

#### **Recommendation Sl. No. 78 (Para No. 5.54)**

The Committee are informed by the Ministry of Railways that according to extant instructions average time taken for settlement of claims should not exceed 30 days. Even in individual claims cases, according to the announcement made by the Minister for Railways in his budget speech in 1977, the time taken for settlement should not normally exceed 6 weeks. The Committee find that in 1976-77 the average time taken for settlement of claims was 55 days which was the highest during the last 5 years. The Minister of Railways, in his budget speech in 1978, has stated that the machinery for settlement of claims has been streamlined through decentralisation and enhancement of powers to Claims Settlement Officers and as a result of this drive the average time taken for settlement of claims has now come down to 48 days and that "we will soon reach our objective of settling claims within 6 weeks." This reinforces the view of the Committee expressed elsewhere in this Report that instead of ruling out further decentralisation as intended by the Ministry the process of decentralisation should be carried further judiciously in order to accelerate the speed of settlement of claims and also to provide relief to the claimants staying far off from the Zonal Headquarters.

### Reply of Government

The observation made by the Committee has been noted and the same has been brought to the notice of the Zonal Railways for suitable action.

On account of special instructions issued and a special drive undertaken for expeditious settlement of claims the average time taken for settlement of claims has been brought down to 37 days in August, 1978 as against 51 days in August, 1977. Under these circumstances, further de-centralisation is not considered necessary at this stage, as improvement in expeditious disposal of claims is being achieved and can be further achieved with the existing machinery.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

### Recommendation Sl. No. 82 (Para No. 5.59)

The Committee are informed that at all big stations there are Station Consultative Committees at important stations who among things, review and discuss matters regarding movement of goods traffic. The Committee suggest that these Consultative Committee should be enabled to review specific cases of delay in settlement of claims every 3 months and the extension of their jurisdiction in this regard should be made specifically known to them.

### Reply of Government

It may be stated that the Station Consultative Committees are not the proper forum for discussing claims cases since the work relating to compensation claims is generally centralised and is mostly done at the headquarters office of the Zonal Railways. It may be pointed out that on the basis of the recommendation made by the Estimates Committee in their Recommendation No. 14, Para 62 contained in their Twenty Sixth Report (First Lok Sabha) instructions were issued to the Zonal Railways that one elected representative from each Zonal Railway Users' Consultative Committee be authorised to exercise spot checks over the railway concerned to see that the various measures taken by the administration for prevention of claims were being pursued on an adequate scale. The instructions enjoined that the representative so chosen should make previous arrangements with the Railways as to when he desired to conduct the checks at any particular point to enable the Railway to depute an offer to accompany him during the check. The Zonal Railways have also been instructed to furnish all relevant claims statistics including number of 3 months old pending cases to the Zonal Railway Consultative Committees who may discuss the problem relating to compensation claims, if necessary.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

## CHAPTER IV

### RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT'S REPLIES HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

#### Recommendation Sl. No. 4 (Para No. 2.24)

The Committee note that even though according to the instructions issued by the Railway authorities, Railway Receipts (RR), must be made over to the consignors on the very day the consignments are accepted for booking or are loaded or in exceptional cases on the following day, it has been brought to the notice of the Committee that there have been delays in the issue of Railway Receipts. The Chairman of Coal India Ltd., a public sector undertaking, stated during evidence that at Kidderpore and Netaji Subhas Chandra Bose Docks (Calcutta), Railway Receipt is normally released after 7—10 days. According to the Railways, loading is done from different points in the dock area and the Railway Receipts, which are issued from a centralised office, cannot be issued unless full particulars of loading are received from loading points in the centralised office. The delay is obviously due to the Railways' failure to collect full particulars of loading on the same day and not for any fault of the consignor. The Committee would like the Railways to make institutional arrangements to detect cases of delay in the issue of RRs not only in Calcutta dock area but also in all other Zones and streamlines the working of the booking offices where delays take place so as to ensure that, as required under the rules, RRs are issued the same day or in exceptional cases, the next day.

#### Reply of Government

The recommendations of the Committee have been noted. There have been some delays in the issue of Railway Receipts at Kidderpore and Netaji Subhas Chandra Bose Docks (Calcutta), because loading is done from different points in the dock area, which is a widespread area consisting of a very large number of sidings, and the Railway Receipts are issued from a centralised office. Unless full particulars of loading are received from the loading points, Railway Receipts cannot be issued by the centralised office.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 16-11-1978].

#### Recommendation Sl. No. 37 (Paras 3.104 and 3.105)

The Committee were informed during their tours by the representatives of trade and industry that the present system of putting

labels on the wagons was not satisfactory. They suggested that re-usable metallic labels or stickers or stencils should be used to indicate the names of destination stations, at a fixed, prominent place on the wagon in big enough letters readable from a distance so that a wagon proceeding in a wrong direction might be easily spotted out and re-directed to the right station. The Committee witnessed a practical demonstration of the labelling systems suggested above, and also of a Metal Tape Seal designed by the Research, Design and Standards Organisation. The general feeling of the Committee was that of the three systems suggested by traders, viz., Metallic label, sticker and stencil, stencil was the simplest and also the cheapest method of indicating the name of destination station at the wagon. It was also easy to blot out the stencilled name after the arrival of the wagon at the destination and restencil the name of new destination on it. The Committee, however, find that the Ministry of Railways do not consider the suggested systems "practicable" in view of their experience with "stickers" which once fixed by the traders on the wagon are stated to be seldom removed and thus lead to misdespatching of wagons. They also feel that the suggested systems will involve huge expenditure on material and staff and in any case will not be successful.

The representative of the Ministry also stated in evidence that the system of stencilling the name of destination station was tried by one Railway in 1970 but as the staff failed to obliterate the destination station name after unloading, it also resulted in misdespatch of the wagons and had therefore to be given up. The representative of the Ministry added that "It is costly experiment. If you like us to try it again, we will try it again. I do not know how many lakhs of rupees will go down the drain." The Committee regret to observe that an apparently good system of labelling was given up not because of any inherent defect but admittedly because of the failure of the Railway staff in carrying out elementary instructions for which the supervisory level of officers also have to bear responsibility. The Committee would like the Railways to adopt a procedure which, as they say, would entail enormous outlay without any tangible results. Nevertheless they would like to observe that a correct evaluation of this system would be possible only if it is tried, at carefully selected stations with adequate advance preparation and with suitable safeguards like making the consignors responsible, in their own interests, for blotting out the old destination names and stencilling names of new destination stations at their own cost which would also have a consequential advantage of generating new self-employment opportunities for painters etc. at each such station.

### Reply of Government

The recommendation envisages that the names of destination station should be painted on the wagons at the forwarding station by the consignor and the same should be obliterated at the destination station

by the consignee and for fresh loading the name of the new destination station repainted thereon after loading.

It may be stated in this connection that it will not be practicable, to allow outsiders, be they consignors or consignees to paint the name of destination station on the wagons. By painting and repainting names of stations on wagon bodies, at a particular nominated area by private parties the paint is likely to become thick and appear shabby, and make the letters indistinguishable. This may cause further delay and greater misdespatch of wagons instead of ensuring wagons to reach their correct destinations.

Moreover, it may be pointed out that the number of wagons misdespatched or unconnected is extremely small in comparison to the total number of wagons despatched. The present machinery for connection of the wagons with the help of computer channels, inter-change records circulations of statements of all iron and steel consignments loaded by Steel Plants and the other normal tracing machinery through tracers and Inspectors as well as control phones is quite adequate. Under the circumstances, instead of allowing the private parties to stencil names of destination stations on all booked wagon bodies whose number is very large, it would be better if the scheme so embossing the station name on metal tape seals is given a trial and if found successful adopted. The metal tape seals contains the embossed flames of the forwarding as well as destination station and is not likely to be lost, mutilated or easily detached from the wagons during the course of transit. The trials regarding metal tape seals are being undertaken with the help of the Research Design and Standard Organisation of the Railways.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978].

**Recommendation Sl. No. 40 (Para 3.108)**

The Committee have been informed by the Food Corporation of India that 32383 of their wagons were 'missing' in 1974-75, 20609 in 1975-76 and 18600 in 1976-77; of these 23688 (73 per cent), 12209 (59 per cent) and 10608 (57 per cent) were traced out during the respective years. Besides, 23591 wagons were reportedly 'unconnected' in 1974-75, 16571 in 1975-76 and 14826 in 1976-77 and of these, 18045 (77 per cent), 7683 (46 per cent) and 6876 (46 per cent) were 'linked' during the respective years. The Committee also note that at the end of 1976-77, 8082 missing wagons and 7950 unconnected wagons had remained untraced/unlinked, the number coming down to 7865 (missing) and 7662 (unconnected) in February 1978. The Committee also note that the missing wagons alone accounted for a total claim of Rs. 33 crores. Of 7865 missing wagons, 5015 wagons were missing for over 3 years. Two conclusions stand out from the data submitted by the Food Corporation of India; One, that thousands of wagons are still 'lost' every year despite the claim made

by Railways that the instructions regarding labelling, sealing and checking of wagons issued by the Railway Board in this regard are being enforced"; two, the rate of tracing 'missing' wagons has declined from 73 per cent in 1974-75 to 57 per cent in 1976-77, and that of linking unconnected wagons has gone down from 77 per cent in 1974-75 to 46 per cent in 1976-77. The Committee are constrained to observe that the present systems of labelling of wagons and working of machinery responsible for tracing and linking of missing wagons are not as efficient and effective as the authorities think they are. The Committee would like the present systems to be critically reviewed and steps taken to plug the loopholes and streamline their working. They would also like that an evaluation of the working of these systems in terms of the number of wagons reported missing or unconnected, the number of wagons found and linked and the number remaining untraced/unconnected for more than one year; two years and three years should be included in the Annual Report of the Railways.

### Reply of Government

The complaint of the FCI regarding missing and unconnected wagons are not on account of the failure of the Railway Administration to deliver the wagons at their correct destination. These wagons are not unconnected on account of loss of labels or for want of correct destinations etc. As admitted by the FCI themselves in their views expressed to the Committee in Para 3.99 the missing and unconnected wagons are on account of diversions of these wagons at the request of FCI due to extraordinary circumstances necessitating their diversion to some other points or when it is not possible to receive and handle them at destinations to which they were originally booked. The main reason for the diversion of these wagons is lack of godown space or handling facilities at the booked destination where the FCI handle their foodgrains consignments in bulk. In such cases the wagons delivered at the diverted station become missing at the original destination and linking them becomes a problem despite detailed instructions issued from time to time. As the Committee have themselves observed the number of missing wagons (at the end of 1976-77) reported by FCI was 8,082 and the unconnected wagons received by them was 7,900 the difference of only 182 wagons. Under these circumstances, it would not be correct to conclude as alleged by FCI that thousands of wagons are "still lost every year despite the efforts made by the Railways to observe instructions in this regard". The diversions are arranged at the instance of the FCI and they exercise due care at the time of booking the problem would by and large be eliminated.

The Railways have also undertaken a special drive to link unconnected wagons with missing wagons belonging to Food Corporation of India. Special Cells have been created for this purpose on Zonal Railways consisting of FCI staff and Railway staff who are using all

possible means including computer statement, control phones and physical tracing at stations and yards to link these wagons.

The Railways have also been asked to further review and improve the machinery for linking missing and unconnected wagons on their system and to indicate the percentage of linked wagons to missing wagons in their annual report.

A special type metal tape seal has also been devised and is on trial to prevent the incidence of loss of labels and minimise the misdespatch of wagons.

It may also be pointed out that the Railways' procedure for labelling, sealing and checking of loaded wagons at stations and yards is quite adequate. In case of occasional or accidental loss of labels due to inclement weather or other factors, elaborate machinery exists to link these wagons with correct particulars with the help of wagon summaries, use of control phones and tracing by inspectors where necessary. In this direction significant progress has been made by the use of computer in linking unconnected wagons or tracing missing wagons.

The use of metal tape seals when perfected on trial will further minimise chances of the loss of labels and prevent wagons getting unconnected or mis-despatched.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 16-11-1978]

**Recommendation Sl. No. 44 (Para Nos. 3.124 & 3.125)**

It has been represented to the Committee by the Steel Authority of India that weighbridges are not available at all loading points. At certain places weighbridges are provided by the siding owners and weighment is witnessed by the Railway staff, but the usefulness of the facility is defected unless weighment is again checked at the destination stations and witnessed by the Railway staff to determine the shortage. Moreover, requests for re-weighment are not always granted. The Committee are informed by the Railway authorities that while weighing machines are provided at all goods sheds and parcel offices for weighment of small consignments, weighbridges for weighing wagon load consignments are provided only at certain selected points based on the quantum of traffic. The Committee are further informed that Railways do not undertake to weigh consignments at the destination stations as a matter of course. Such weighments at destination stations are considered only in exceptional cases when the condition of consignment of package so warrants. In the case of small consignments, reweighment, it is stated, is agreed to "very liberally." In the case of wagon load consignments re-weighment entails detention of wagons and, if weighbridge is not available at the station haulage to and from different yards. As such reweighment in each and every case is not considered feasible by the Railways.

The Committee see no reason why reweighment of small consignments for which facilities are available at every station, should be refused at all. Even in respect of consignments which do not bear any outward sign of pilferage or damage, requests for reweighment should be granted to satisfy the consignee; if necessary, in such cases, in order to discourage frivolous requests a re-weighment fee may be charged.

### Reply of Government

Instructions already exist that requests for reweighment of consignments at destinations are to be considered on the merits of each case and that genuine requests for reweighment are complied with promptly. On a representation by the Steel Authority of India recently, for allowing reweighment of Steel consignments for the benefit of small consumers and to minimise hardship to the consignees of iron and steel consignments, instructions have been reiterated to ensure reweighment in all deserving cases.

In the case of wagonload consignments reweighment entails considerable detention to stock thereby reducing the availability of wagons for further loading. Moreover, in some places there are no weighbridges and if the requests for reweighment are invariably agreed to, the loaded wagons will have to be hauled to different yards, weighed and brought back to the booked destinations.

Their request for reweighment of wagonload consignments are therefore carefully considered and reweighment granted only in those cases where *prima facie* evidence of pilferage shortage exists.

There is already a provision for charging reweighment fee to discourage frivolous requests.

It may however be pointed out that reweighment in case of intact packages would cause complication due to weight difference in weighing scales. There is also possibility of showing excess weight at booking stations in collusion with staff. Moreover at larger stations reweighment of all intact packages would cause delay in deliveries and result in congestion. Hence, reweighment is allowed in deserving cases.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978].

### Recommendation Sl. No. 45 (Para Nos. 3.126 & 3.127)

As regards wagon load consignments, the Committee also feel that the purpose of providing the facility of weighbridge at loading stations is defeated if there is no such facility at the unloading stations. In such cases, the consignees may, in many cases, be left agussing and unsatisfied as they will not normally be able to check the weight of the wagons with reference to the Railway Receipts.



The Committee feel that all major stations which have a heavy originating or terminating goods traffic should progressively be provided with facilities for weighing wagons. If suitable incentives are given, the Committee have no doubt that local trading interests at unloading points might agree to instal wagon weighing equipment at their own cost in the same way as they have done at loading points. The Committee would like the Ministry of Railways to take initiative and draw up a model scheme in this regard and encourage Zonal and Divisional authorities to explore the possibility of setting up community weighbridges in collaboration with the organisations of local traders and industrialists for a more harmonious relationship between the big consignees and the Railways.

### **Reply of Government**

The main purpose of weighing of wagons at the originating points is to ensure that the wagons are loaded only up to the prescribed limit because any overloading beyond this limit will be a safety hazard. It is with this objective that the Railways launched the scheme of weighing rebate on weighbridges installed by the siding owners. The Railways cannot instal weighbridges of the requisite capacity at all loading points. Nevertheless, the Railways on their part also plan, procure and instal weighbridges within the limited resources at their disposal. Unless the wagons are weighed at the loading points, it will not be possible for the Railways to adjust overloaded wagons and ensure despatch of only those wagons which are loaded upto the prescribed limit. This purpose cannot be achieved by providing weighbridges at unloading points. Under the Rules in the Goods Tariff reweighment of consignments is permitted only in special cases and only when the outward condition of the consignment indicates shortage. In other cases, reweighment is normally not permitted, whenever the Railways agree to reweigh the consignments at the destination; necessary reweighment charges are collected and the wagons are hauled to a station where the weighbridge is available and are re-weighed at such points. However, Railways cannot agree to reweigh all the consignments loaded in wagons as it will result in heavy detention to wagons which will increase turn-round of wagons and result in reduction of transport capacity on the railway which in turn will have very serious affect on the national economy.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 16-11-1978].

### **Recommendation Sl. No. 52 (Paras 4.36 & 4.37)**

The Committee note that the primary function of the Railway Protection Force is to guard and protect public property entrusted to Railways for carriage and also the property belonging to the Railways. The Railway Protection Force is also responsible for the prevention of crime resulting in payment of claims compensation. From the memoranda submitted to the Committee by public sector

organisations and Chambers of Commerce etc., the Committee note that role played by RPF is considered to be not at all satisfactory and some of the organisations suspect sections of RPF even colluding with the criminals. The Ministry of Railways (Railway Board) have admitted that the single biggest factor counting for nearly half of the amount paid as claims for compensation was pilferage of goods while they were in rail custody. The One Man Expert Committee (1976) in its report has also highlighted the fact that the percentage of claims paid for thefts/losses and pilferages over the total amount of claims paid during the years 1973-74 and 1974-75 worked out to staggering figures of 72.3 per cent (Rs. 984.11 lakhs) and 72.5 per cent (Rs. 1063.10 lakhs) respectively.

The Committee note that the railways have a total force of 64,000 RPF personnel. They regret to observe that thefts etc. of consignments take place even from trains escorted by RPF personnel. While explaining the incidence of thefts etc., even from trains escorted by RPF, the Ministry of Railways have stated that this is partly because of "inadequate deployment of escorting staff due to insufficient manpower of RPF." The One-Man Expert Committee which went into the question of growth and organisation of RPF has also come to the conclusion that "the force is inadequate to meet the requirements of the present day volume of traffic". But the study made by the One-Man Expert Committee also reveals that the RPF personnel are also required to perform duties which do not fall within the scope of their operations as visualised in the Railway Protection Force Act. It was found by the Expert Committee that during the period of 6 months from March to August, 1975 on an average 4256 RPF personnel were employed on such unsanctioned and unscheduled duties, as helping the ticket checking staff in raids against ticketless travelling and unauthorised alarm chain pulling, escorting of passenger trains, removing beggars and unauthorised vendors from railway premises, security arrangements for melas and festivals, track patrolling during emergencies, assisting the police in making security arrangements during the journeys of VIPs." The diversion of such a large force from their main job and their deployment elsewhere in the face of reported insufficiency of manpower of RPF shows that the Railways have not been taking as much care of public property entrusted to them for carriage as they could and should have taken or as Parliament expected them to take while sanctioning funds for the maintenance of this Force. The Committee are strongly of the view that the withdrawal of RPF personnel from property protection work is not at all desirable and such a practice must be stopped.

#### Reply of Government

Diversion of RPF personnel from their normal charter of duties becomes unavoidable at times due to certain situations. During 1977 when several cases of tampering with the track involving derailment of some trains came to notice, the State Governments were

requested to undertake patrolling of the track. The States expressed their reluctance on grounds of inadequate strength of GRP, financial constraints etc. Safety being the prime consideration, the Railways had to deploy 11,000 RPF men on track patrolling duties which yielded encouraging results. Similarly when dacoities/robberies showed an increasing trend in some of the States grave concern was expressed in all forums of public opinion including the Parliament. Here again due to inadequate strength of the GRP the States were not in a position to step up police protection in the affected trains over vulnerable sections. As a measure to instill confidence among the travelling public and deter criminals, over 2,000 RPF personnel have been deployed to escort passenger trains. This arrangements may have to be continued till the States were in a position to deploy adequate police force on passenger trains, which function appropriately falls within the purview of the State Governments.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

#### **Recommendation Sl. No. 80 (Para 5.56 & 5.57)**

The Committee are happy to note that the number of claims pending for over 3 months in 1976-77 was the lowest in last 5 years though they cannot reconcile it with the fact that the average time of 55 days taken to settle claims in this year was the highest. As against 30,374 such cases pending at the end of 1974-75 and 26,985 at the end of 1975-76 the number of such cases pending at the end of 1976-77 declined to 14,234. The position as on 31-12-1977 has shown further improvement in that the number has slumped to 6347. While the Committee are satisfied at this improvement in the efficiency of the claims settlement machinery, they find that the performance on all the Zonal Railways has not been uniformly good during 1976-77. In Central Railway, for instance, the number of claims pending for over 3 months at the end of 1976-77 was higher by 12 per cent than that at the end of 1975-76. In Northern Railway the number of cases pending for over one year in 1976-77 increased by more than 100 per cent as compared to previous year. In North-East Frontier Railways, the number of cases pending for over six months but less than a year showed an increase of 69 percent and number of cases pending for over 1 year was 150 as against nil during the last 4 years. The Committee, however, note that the position on these Railways also has improved in 1977-78. The Committee feel that if continuous improvement has to be ensured so as to achieve the target of settling claims within an average period of 30 days and a maximum period of 42 days, the Railway Board should keep the performance of claims settlement organisations of Zonal Railways under constant review and not relent until each one of the Zonal Railways reaches the targeted level of efficiency and is in a position to maintain that level.

The Committee considers that it would be helpful if the details of average time taken in the settlement of claims Zone-wise are published in the Annual Report of the Ministry of Railways.

### **Reply of Government**

As per the recommendation of Railway Convention Committee the format and contents of the Indian Railways' Annual Report have been changed since 1972-73 to give a review of the performance of the Indian Railways as a whole instead of Railway-wise. However, details of the average time taken in the settlement of claims Zone-wise are published in the Annual Report of the individual Railways, which are scrutinized by the Ministry of Railways also. Railway Board is keeping a constant watch on the performance of Claims Settlement Organisations of all Zonal Railways to ensure that each Zonal Railway achieves the targeted level of average period of 30 days and a maximum period of 42 days for the settlement of claims. Actually a very large number of cases of smaller valuation are settled promptly in much less than 30 days.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

### **Recommendation Sl. No. 84 (Para 5.61)**

The Committee are also informed that in respect of cases decreed by the Court, the judgement of the Courts are scrutinised and if it is decided not to go in for an appeal, payment in satisfaction of the decree is made without delay. The Committee are strongly of the opinion that a time limit should be fixed within which a judgment of the Court after receipt of a copy thereof is scrutinised and decisions taken as to whether or not an appeal has to be filed against the decree of the Court or not. Without such a time limit the matter within the Department may not be pursued with due sense of urgency and any delay at this stage will be doubly unfair to the claimant if, after having lost his consignment and won the Court case, he is required to wait indefinitely for receiving payment.

### **Reply of Government**

The observation made by the Committee has been noted. The instructions to the Zonal Railways already exist that decrees relating to compensation claims should be satisfied promptly. With a view to ensuring that Court decrees are satisfied without delay, the Railways have been further directed to maintain a decree register for watching satisfaction of decrees promptly. The instructions have been reiterated to the Zonal Railways for compliance.

When a Court judgement along with a decree is handed over to the Railway the time limit is already laid down within which an appeal can be filed and the decree has to be satisfied. Any delay in scrutiny etc., debars the Railway from filing an appeal. Therefore, all efforts

are made to scrutinise and decide the acceptance or otherwise of the Court judgement within the limited period stipulated. Special instructions have already been issued to satisfy the Courts decrees in time, failing which attachment orders can be issued against the Railway property causing much embarrassment to the Railway Administration.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

### **Recommendation Sl. No. 88 (Para 5.70)**

From the statistics furnished by the Ministry, the Committee find that out of over 6 lakhs claims received every year during the four years from 1972-73 to 1975-76, only about 3 lakhs claims were settled by payments during each of the respective years. In 1976-77 out of nearly 377000 claims received only about 165000 were settled by payment. It is also seen that as against an amount ranging between Rs. 160 crores and Rs. 87 crores claimed every year as compensation, the amount actually paid ranged between Rs. 12 crores and Rs. 15 crores. This gives an impression that a very large percentage of claims are rejected every year, and amount of compensation is substantially reduced even in those cases where claims are admitted. The representative of the Ministry of Railways explained during evidence that as all claims registered in a particular year are not settled during the same year, the percentage of rejected claims should not be worked out with reference to the claims received in a particular year but it should be worked out with reference to the claims settled in that year. Even according to this criterion the representative of the Ministry admitted that percentage of rejection went up from 36.7 percent in 1974-75 to 39.8 percent in 1975-76 and to 42.3 percent in 1976-77. It came down to 39.9 percent in 1977-78. The Ministry of Railways have written to the Zonal Railways asking them to be very honest in dealing with the claims. The Committee feel that even a rejection rate of nearly 40 percent appears to be rather abnormal especially when it is viewed in the background of the amount of compensation paid *vis-a-vis* the amount claimed. The Committee feel that the Ministry of Railways should make a study of this phenomenon to satisfy themselves as well as the business and trading circles that the claims are not arbitrarily repudiated or reduced. The Committee would like the result of this study to be communicated to them as soon as the study is over.

### **Reply of Government**

The recommendation of the Committee has been noted and suitable instructions have been issued to the Zonal Railways neither to repudiate claims arbitrarily nor reduce the amount unjustifiably without proper verification. A special watch is kept by the Ministry on the performance of the Railways in this regard.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 27-12-1978].

**Recommendation Sl. Nos. 101 & 102 (Paras 5.136, 5.137, 5.138 & 5.139)**

A suggestion was made to the Committee by private and public organisations that claims tribunal or an independent authority might be established to hear appeal against the decisions of claims officers or 'Sole Arbitrators' might be appointed to decide disputes relating to claims. The idea underlying the suggestion was that litigation in Courts of law should be avoided. The Zonal Railways with whose representatives the Committee discussed this suggestion during their tours, welcomed the establishment of independent Tribunals as this would, in their opinion, be conducive to quicker finalisation of claims cases without the necessity of protracted legal proceedings reduce Court costs and will do away with the need to employ professional advocates. In the course of evidence before the Committee the representative of the Ministry of Railways, also agreed to the idea of having a Tribunal for hearing appeals provided no new organisation was set up for the purpose and the job could be entrusted to the already existing Railway Rates Tribunal and only high value cases involving Rs. 75,000 to Rs. 1 lakh were allowed to be taken before the Tribunal. The Committee are surprised to find from the note submitted by the Ministry of Railways after the evidence that the Ministry have now taken an entirely different stand. The reasons now advanced by the Ministry against the setting up of Appellate Tribunals are that (i) Ordinary Civil Courts and quite competent to deal with claims cases (ii) If Tribunals are set up, claimants will have to travel long distances to file and pursue their applications; (iii) Constitution of Tribunals will result in extra expenses to be borne by Central Government (Zonal Railways) without any corresponding decrease in the expenses of Civil Courts; and (iv) the Railway Administration is already spending a sum of more than Rs. 4 crores per year on claims settlement machinery, including a sum of Rs. 90 lakhs consisting of expenditure on Court sections, pleaders' fees and other litigation expenditure and it is not possible for them to undertake additional financial and other related responsibilities. According to the scheme of Appellate Tribunals outlined by the Ministry of Railways, there may be 30 Regional Appellate Tribunals and four Central Appellate Tribunals on which, estimated expenditure, at the rate of Rs. 1.5 lakhs per Tribunal, will be not less Rs. 50 lakhs per annum. The Ministry have also gone to the extent of saying that the number of cases taken to Courts is not unduly large to justify setting up of any special machinery for dealing with such cases. The Ministry have also pointed out some legal difficulties in entrusting any new responsibilities in regard to claims disputes to the already existing Railway Rates Tribunal.

The Committee are surprised at the shift in the stand of the Ministry. They are also constrained to note that some of the arguments advanced by the Ministry in support of their stand are either not relevant or not quite correct. The Ministry's assertion

that number of Court cases is not unduly large is not sustained by the figures produced by Railways which show that not only is the number of Court cases large (12850 in 1974-75; 14798 in 1975-76 and 21589 in 1976-77) but the number is also increasing from year to year. Another disturbing feature noticed is that whereas the number of rejected claims came down substantially from 272120 in 1975-76 to 184770 in 1976-77, the number of Court cases rose by 46 percent from 14798 in 1975-76 to 21589 in 1976-77. This also reveals the weakness of the Railways' claim regarding "qualitative improvement in the disposal of claims cases."

The pleas of special drive to expedite settlement of claims cases and substantial reduction in the number of 3 months old cases during the current year is, in the opinion of the Committee, not quite relevant in the context of the proposal for establishment of Appellate Tribunal which has been made with the idea of reducing litigation in Courts and expediting settlement of claims disputes after the claims are decided by officers of Railways.

The Committee feel that the legal difficulties pointed out by the Ministry are not insoluble and the proposal to entrust the work of hearing appeals in high value cases, to start with, against claims officers to a new Tribunal or to the already existing Railway Rates Tribunal by enlarging its jurisdiction merits a more dispassionate examination, especially when it has been widely welcome by Zonal Railways and the representatives of trade and industry. While examining this proposal, the Ministry should study comparative economics of the two alternatives—enlarging the statutory jurisdiction of Railway Rates Tribunal or setting up a new Tribunal (not 34 Tribunals as shown in the scheme outlined by Railway Board) at the Centre with powers to hold benches at Zonal Headquarters, if necessary, to deal with high value cases, to start with in the context of inevitable savings on pleader's fees and other litigation expenses and inform the Committee of the outcome of the study within 3 months of the presentation of this Report.

### **Reply of Government**

The Committee have recommended that the Ministry should study comparative economics of the two alternatives—enlarging the statutory jurisdiction of the Railway Rates Tribunal or the setting up of a new tribunal at the Centre with powers to hold benches at Zonal Headquarters, if necessary to deal with high value cases, to start with.

This recommendation has been carefully examined. The Legal Advisers to the Railway Board have opined that confining the appeals to a Tribunal in cases involving high value only would be open to objection on the ground of discrimination unless a (intelligible) differential can be established between cases which come under the

category of high value and those left out. In that connection it has been pointed out that it is difficult to see any intelligible differentia, because all the cases pertaining to claims are of the same nature and valuation as such does not afford a criterion. Thus Article 14 of the Constitution would be violated if an appellate tribunal is to be constituted to deal with cases involving ~~high~~<sup>high</sup> value only.

From the administrative point of view, the constitution of an appellate tribunal to deal with the claims after they have been decided by officers of railways would also mean that there would be a hierarchy of claims officers who would decide the disputes initially in a quasi-judicial manner. In other words, these claims officers would function as the lower tribunals with all the trappings of a court and the appeals against the speaking orders pronounced by them would be heard by the appellate tribunal.

Alternatively if the claims organisations are to function as they do at present, any person aggrieved by an administrative decision of the claims organisation will instead of approaching a civil court have to file his claim before a claims tribunal. This would involve the establishment of a large number of tribunals with original jurisdiction with at least one appeal to the High Court.

In the circumstances, the Ministry of Railways submit that any scheme which would involve a complete displacement of the existing procedures does not appear to be feasible if implimentation.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 27-12-1978]



## CHAPTER V

### RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

#### **Recommendation Sl. No. 9 (Para No. 2.29)**

The Committee are informed that clear RRs are not issued also in cases where the consignments do not fulfil packaging conditions laid down in Railway tariff rules. It has been represented to the Committee that the packaging conditions are so elaborate that it becomes difficult for the consignees to comply with them fully. The Committee are of the opinion that a review of packaging conditions in the light of the new packaging techniques since developed may be made in consultation with the representatives of trade and industry and changes made, where possible, to simplify the packaging conditions without in anyway diluting the safety factor. Railways should also hold exhibitions at important places to educate the trade and industry as to how heavy and fragile consignments can be economically packed and damage and shortage in transit avoided.

#### **Reply of Government**

A Rail Tariff Enquiry Committee has been appointed to make a comprehensive examination of the freight and fare structure including packing conditions. A copy of the above recommendation on the subject has been furnished to the Committee for examination and necessary action. Suitable follow up action will be taken in the matter on receipt of the Committee's recommendations.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 16-11-1978].

#### **Comments of the Committee**

The Committee may be apprised of the out-come of the action taken by the Railway Tariff Enquiry Committee.

#### **Recommendation Sl. No. 10 (Para No. 2.30)**

The Committee note that the Railway Board *vide* their instructions issued in 1973 required that where proper dunnage is not provided by the consignors while loading consignments in wagons, the consignments should be rejected. In practice, however, the Railway staff, instead of rejecting such consignments accept the consignments after making suitable remarks on the Forwarding Notes/Invoices and

claims for losses arising out of non-provision of dunnage are repudiated. This not only necessitates a review of the Railway Board's instructions on the subject but also reinforces the Committee's opinion expressed in the proceeding paragraph that a general review of the packaging conditions is over-due and should be undertaken without delay.

### **Reply of Government**

The observation of the Committee has been noted. Special Condition S/27 was revised after a careful consideration, and instructions have been reiterated to the Zonal Railways that in cases where S/27 condition is not complied with, consignments should not be accepted for booking.

It may also be mentioned that a general review of the packing conditions is already being done by the Railway Tariff Enquiry Committee currently and their recommendations on the subject will be given due consideration.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978].

### **Comments of the Committee**

Please see para 1.54, Chapter I of the Report.

#### **Recommendation Sl. No. 13 (Para No. 2.41)**

The Committee note that the Ministry of Railways have not agreed to the suggestion that, when consignments are not accepted for loadings, reasons for non-acceptance should be given in writing by the Railway staff. The Committee feel that, in order to dispel any suspicion from the mind of the trading community as is done on Northern Railway, the reasons for non-acceptance should be recorded on the Forwarding Note itself, whose format might be suitably modified, if necessary, to provide for space for the purpose.

### **Reply of Government**

The recommendation of the committee is being examined. A final reply will follow.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/  
VI/19 dated 16-11-1978].

### **Comments of the Committee**

Please see para 1.54, Chapter I of the Report.

#### **Recommendation Sl. No. 28 (Para No. 3.52)**

The Committee cannot over-emphasise the importance of training being imparted to loaders and porters in handling goods

carefully and safely. They would like training programmes specially tailored to meet the job requirements in different regions to be drawn up and put through for the benefit of loaders and porters employed in those regions. The Committee feel that the training programmes will produce the desired results only if they are accompanied by suitable incentive schemes.

#### **Recommendation Sl. No. 32 (Para No. 3.71)**

As regards rough and wrong handling of consignments the Committee would like to reiterate that, as recommended by them earlier in this Chapter, solution to the problem lies in organising training programmes for loaders and porters and introducing some mechanical and other aids in place of iron hooks etc. which will help loaders handle bags safely without affecting employment situation adversely.

#### **Reply of Government**

The recommendations have been noted and are under examination in consultation with the Zonal Railways.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 16-11-1978].

#### **Comments of the Committee**

The Committee may be apprised of the result of examination.

#### **Recommendation Sl. No. 33 (Para No. 3.72)**

The Committee note the views of two of the Zonal Railways that security arrangements at the transshipment points require to be tightened up and augmented. The Northeast Frontier Railway is of the opinion that provision of high compound wall with barbed wire fencing at the top and introduction of identity card system for entry in transshipment areas and goods sheds would eliminate chances of pilferages but the cost of arrangements and the administrative machinery would pose big problem. The Committee would stress the need for foolproof security arrangements at transshipment points where public property lies in trust with the Railways and should therefore be properly guarded from miscreants and anti-social elements. They would like the Ministry of Railway to ask the Zonal Railways to examine the suggestion made by the North-East Frontier Railway and other measures with a view to tightening security arrangements at transshipment and other such points. The Committee would expect the Ministry to pursue this matter with Zonal Railways and help them evolve a satisfactory solution to the problem.

#### **Reply of Government**

It may be stated that the provision of boundary walls is not likely to solve the problem of thefts and pilferage of booked consignments

at transshipment points since the incidence of thefts and pilferage takes place even from workshops and loco sheds provided with boundary walls. This apart provision of a high compound wall is not feasible in most of the cases due to Repacking Sheds/Transshipment Sheds being located inside the yards where enclosing them with such compound walls is not normally practicable. Moreover, providing boundary walls at all transshipment points would involve heavy expenditure. With a view to combating thefts and pilferage of booked consignments at transshipment points the Zonal Railways have been directed to tighten up and further improve security arrangements at those points. They have also been directed to examine the question of introduction of identity card system for regulating entry into transshipment areas and repacking sheds and to introduce the aforesaid system wherever feasible.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 26-3-1979].

### **Comments of the Committee**

Please see para 1.54 Chapter I of the Report.

### **Recommendation Sl. No. 35 (Para Nos. 3.74 and 3.75)**

The Committee note that the Ministry of Railways are not in favour of agreeing to the suggestion made by the representatives of trade and industry that their nominees may be allowed to supervise transshipment of their consignments from one wagon to another in the interest of more careful and safer handling of consignments. The Committee find that this facility was available to consignor/consignee in the past but it was withdrawn in 1967 as it was felt by Railway authorities that, if allowed generally, it was likely to give rise to various malpractices. An application made by a party challenging the withdrawal of this facility on the ground of violation of his statutory right to supervise transshipment was dismissed by the Gujarat High Court in 1971 as a statutory right could be established by the applicant. But while the application was dismissed the High Court observed that "there is a very strong case for continuance of the practice which has worked satisfactorily and successfully so far with such safeguards as may be considered necessary."

The Railways are however, as stated above, not in favour of restoring this practice "to avoid any controversy and in view of the difficulties and hindrances created by implementing this suggestion". The Committee are unable to appreciate the stand taken by Railways in this regard and would like the matter to be reconsidered as they also feel like the Gujarat High Court that "the risk of mishandling of goods as well as pilferage at the transshipment points can be by and large averted if permission is granted to the consignor or the consignee (or his nominee) to remain present at the transshipment point to supervise the operation."

### Reply of Government

Considering the very large volume of traffic handled at the transshipment points all over the Railways this facility of supervising transshipment by the consignor/consignee can be taken advantage of by a very small number of persons. While the views of the High Court are acceptable and they are in consonance with the ordinary commonsense, the observation has not taken into account the practical problems and difficulties confronted in this case that may arise if a general permission is given in this regard. However, the recommendation is under examination in consultation with the other Zonal Railways.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 16-11-1978].

### Comments of the Committee

Please see para 1.54, Chapter I of the Report.

### Recommendation Sl. No. 46 (Para No. 3.128)

The Committee are not happy to note that coal wagons at Kumardihi and Goenka Kajora were allowed to be overloaded in 1971 to 85% of cases in May 1977. In certain cases loading was 10 to 14 tonnes more than the carrying capacity of the wagons though the maximum overloading allowed under the rules is only 2 tonnes. This not only imperils the safety of the goods train but may also affect consignees interests adversely especially at places where there are no re-weighment facilities. The Committee would like corrective steps to be taken in this regard expeditiously.

### Reply of Government

The problem regarding overloading of coal wagons is being regularly taken up with the Coal India Limited at various levels emphasising upon the authorities concerned of the need to tighten up supervision at loading points so that overloading of wagons could be avoided. The names of collieries where frequent heavy overloading of wagons is noticed, are noted and stoppage of supply of wagons to such collieries are resorted to as a drastic measure to reduce the extent of overloading.

The Ministry of Railways have recently enhanced the rate of demurrage charges for detention for adjustment to wagons which are overloaded with coal at collieries and are received at the stations for despatch. It is felt that these enhanced demurrage charges will act as a positive deterrent to the over loading of wagons by the collieries.

Another important step taken for preventing overloading of wagons is the incentive given by way of rebate on weighment charges

for rail users and siding owners who install their own private weigh bridges for commodities like coal, ores, lime stone etc. and despatch wagons after weighment so that overloading does not take place.

Regarding overloading of coal at Kumardihi and Goenka Kajora stations referred to by the Committee the information is being collected and a final reply will follow.

[Ministry of Railways (Railway Board) O.M. No. 78-BC-EC/VI/19 dated 16-11-1978].

**Comments of the Committee**

Please see para 1.54, Chapter I of the Report.

NEW DELHI;

*April 26, 1979.*

*Vaisakha 6, 1901 (Saka).*

SATYENDRA NARAYAN SINHA,

*Chairman,*

*Estimates Committee.*

## APPENDIX

(Vide Introduction to the Report)

*Analysis of Action Taken by Government on the 19th Report of Estimates Committee (Sixth Lok Sabha)*

I. Total Number of recommendations . . . . .	102
II. Recommendations/Observations that have been accepted by Government	
(Nos. 1, 2, 5, 6, 7, 11, 12, 14, 15, 17, 18, 19, 20, 22, 23, 25, 26, 27, 29, 30, 31, 34, 36, 38, 41, 42, 47, 48, 49, 50, 53, 54, 55, 56, 57, 58, 59, 60, 62, 63, 65, 66, 68, 69, 70, 71, 74, 75, 76, 77, 79, 81, 83, 85, 86, 87, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99 and 100.)	
Number . . . . .	68
Percentage to total . . . . .	66.7%
III. Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies.	
(Nos. 3, 8, 16, 21, 24, 39, 43, 51, 61, 64, 67, 72, 73, 78 and 82)	
Number . . . . .	15
Percentage to total . . . . .	14.7%
IV. Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee.	
(Nos. 4, 37, 40, 44, 45, 52, 80, 84, 88, 101 and 102).	
Number . . . . .	11
Percentage to total . . . . .	10.8%
V. Recommendations/Observations in respect of which final replies of Government are still awaited	
(Nos. 9, 10, 13, 28, 32, 33, 35 and 46)	
Number . . . . .	8
Percentage to total . . . . .	7.8%