

SIXTY-SECOND REPORT

PUBLIC ACCOUNTS COMMITTEE (1986-87)

(EIGHTH LOK SABHA)

PERFORMANCE OF SUBURBAN SERVICES OF
THE CENTRAL RAILWAY

MINISTRY OF TRANSPORT

(DEPARTMENT OF RAILWAYS)

Action Taken on 209th Report (7th Lok Sabha)]



Presented in Lok Sabha on 27 November, 1986

Laid in Rajya Sabha on 27 November, 1986

LOK SABHA SECRETARIAT
NEW DELHI

November, 1986/Kartika, 1908 (S)

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Corrigenda to 62nd Report of the Public
Accounts Committee (8th Lok Sabha) on
Performance of Suburban Services of the
Central Railway.

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(1986-87)

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INTRODUCTION

1, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Sixty-second Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 209th Report (7th Lok Sabha) on Performance of suburban services of the Central Railway.

2. The main reason for delay in commencing the delivery, as stated by the Ministry of Heavy Industry, was due to late supply of items such as steel, electric traction equipment and wheel sets for motor coaches from the Railways. However, the Ministry of Transport (Department of Railways) had contested the above statement of the Ministry of Heavy Industry in their reply dated 16 May, 1985 and 1 July, 1985. As there was divergence of opinion between the reply submitted by the Department of Railways in regard to paragraphs 1.71 and 1.72 and the views expressed by the Chairman and Managing Director, Jessops, during evidence held on 31 January, 1984, c.f. paragraph 1.47 of their 209th Report, the Public Accounts Committee at their sitting held on 11 September, 1986 decided to hold further evidence of the Departments of Railways and Public Enterprises (erstwhile Ministry of Heavy Industry). Thereafter, both the Departments had submitted a joint note to the Committee on 22 September, 1986. In this note the Departments had agreed that while the initial delay was due to slippage in the delivery in the initial supply of free supply items by Railways, there has been production delays in Jessops due to chain reaction and thus the delay in the final completion of the supply of 239 EMUs coaches was on account of the Railways as well as Jessops. The Committee have expressed their unhappiness over submission of incomplete information to them and desired that such lapses should be avoided.

3. After examining the representatives of the Department of Railways and M/s. Jessops on 25 September, 1986, the Committee have come to a conclusion that based on the lead time between the placement of the orders and the actual receipt of stores, Jessops/Railway Board should have pre-planned deliveries or purchase of free supply items to synchronise with the delivery schedule fixed for supply of EMU coaches. M/s. Jessops should also have agreed to the dates of deliveries of EMU coaches keeping view its capacity.

The economic aspect of this delay has been quantified by the Department of Railways at Rs. 203 lakhs by way of cost escalation payments besides untold hardships to the commuters. The Committee have therefore desired that various phases in the projects should be thoroughly worked out initially to avoid such delays and postponements. Each Department should discharge its specific part without passing it to others and should not take shelter in shifting the delay to other party. In the opinion of the Committee Railways cannot be exonerated of responsibility in this particular case and Jessops have also not fulfilled their role effectively. The Committee have recommended that it is necessary that the Department of Railway refine their planning and implementation procedure appropriately and tone up its implementation to avoid such delays.

4. The Report was considered and adopted by the Public Accounts Committee at their sitting held on 6 October, 1986. Minutes of the sittings of the Public Accounts Committee held on 11 September, 1986, 25 September, 1986 and 6 October, 1986 form Part II of this Report.

5. For facility of reference and convenience the recommendations and conclusions of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in the Appendix to the Report.

6. The Committee place on record their appreciation of the assistance rendered in the matter by the Office of the Comptroller and Auditor General of India.

NEW DELHI;
10 November, 1986

19 Kartika, 1908 (Saka).

E. AYYAPU REDDY,
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

1.1 This Report of the Committee deals with the action taken by Government on the recommendations and observations contained in their 209th Report (7th Lok Sabha) on performance of Sub-urban Services of the Central Railway commented upon in Paragraph 1 of the Advance Report of the Comptroller and Auditor General of India for the year 1981-82, Union Government (Railways).

1.2 The Committee's 209th Report (7th Lok Sabha) was presented to Lok Sabha on 27 April, 1984. It contained 18 recommendations and observations. Action Taken Notes on all these recommendations and observations have been received from the Government. These have been broadly categorised as follows:

- (1) Recommendations and observations that have been accepted by Government.

Sl. Nos. 1, 2, 8, 10, 11, 12, 13, 16 and 18.

- (ii) Recommendations and observations which the Committee do not desire to pursue in the light of the replies received from Government.

Sl. Nos. 4 and 7

- (iii) Recommendations and observations replies to which have not been accepted by the Committee and which require reiteration.

Sl. Nos. 3, 5, 6 and 17

- (iv) Recommendations and observations in respect of which Government have furnished interim replies.

Sl. Nos. 9, 14 and 15

1.3 The Committee expect that final replies to those recommendations and observations in respect of which only interim replies have so far been furnished will be submitted to them, duly vetted by Audit, without delay.

1.4 The Committee will now deal with the action taken on some of the recommendations and observations.

*Punctuality rate of suburban Trains***(S. No. 2—Paragraph 1.68)**

1.5 Expressing their concern over the unsatisfactory working of the suburban services run by the Central Railway, the Committee had, in paragraph 1.68 of their Report, observed:

“The Audit para has highlighted various aspects of the unsatisfactory working of the suburban services run by the Central Railway in Bombay. While the Western Railway, with a holding of 578 DC EMUs could carry 785 million passengers, the Central Railway with 647 EMUs carried only 758 million passengers during 1980-81. The Central Railway was unable to run daily trains as per schedule. During the period from January, 1978 to April, 1981, out of 853 trains scheduled to run daily, only 810 trains were actually run and 42 to 43 trains were cancelled. Against an expected punctuality rate of 98 per cent of suburban trains, the punctuality rate of suburban trains run by the Central Railway was as low as 64 to 69 per cent while on the Western Railway, the same was 96 to 97 per cent.”

1.6 In their Action Taken Note dated 16-5-1985 the Ministry of Transport stated.

“The observations of the Committee are noted. The reasons for excessive cancellations of the trains and low punctuality have been explained in reply to PAC points earlier. However, it is brought to the notice of the Committee that the measures taken in the meanwhile have started showing results. The number of trains run daily is expected to go up to 900 in November, 1984 time table. The punctuality has shown tremendous improvement, as the following statistics would reveal:

1981-82	82.2%
1982-83	87.8%
1983-84	92.6%
1984-85	94.4%

(Upto Aug. 84)

1.7 In their earlier Report the Committee had pointed out that the Central Railway with 647 EMUs could carry only 758 million passengers against 785 million passengers carried by the Western Railway

with a holding of 578 EMUs during 1980-81. Similarly, during the period from January 1978 to April 1981, out of 853 trains scheduled to run daily only 810 trains were actually run and 42 to 43 trains were cancelled. Whereas the Ministry of Transport (Department of Railways) have informed that the punctuality rate of suburban trains run by the Central Railway has shown improvement from 64 per cent—69 per cent to 94.4 per cent in 1984-85, the reasons for carrying less passengers with more holdings of EMUs in comparison to Western Railway have not been given. The Ministry have also not explained reasons causes for heavy cancellation of sub-urban trains run by the Central Railway. The Committee would like to know the present position of the passenger traffic carried and the cancellations of trains run by the Central Railway.

Utilisation of funds for purchase of EMUs

(Sl. No. 3—Paragraph 1.69)

1.8 Commenting on the diversion of funds allotted for purchase of EMUs to other purposes, the Committee had in Paragraph 1.69 of their Report stated:

“The Committee have been informed that the main reason for this unsatisfactory performance is large holding of overaged EMU rakes on the Central Railway. The Committee find that as on 15-3-1984, out of 73 rakes with the Central Railway for suburban traffic, as many as 18 (67 coaches) were overdue for replacement having passed their codal life of 25 years. The Ministry of Railways have pleaded that these rakes could not be replaced because of shortage of funds. The Committee, however, do not find this argument convincing in view of the fact that even the funds allocated for purchase of EMUs were not fully utilised. In 1978-79, against the provision of Rs. 132 lakhs for the purpose, not a single rupee was spent and in 1979-80, 1980-81 and 1981-82 out of the funds allocated for the purpose, Rs. 68.6 lakhs, Rs. 788 lakhs and Rs. 274 lakhs respectively remained unspent. According to the reply of the representative of the Ministry of Railways given during evidence, due to overall inadequate allocation of funds for rolling stock these funds were diverted for the purposes. This, in the opinion of the Committee, is highly disturbing. The Committee are unhappy that while on the one hand a vital service like the suburban service which caters to a large number of commuters in a city like Bombay was allowed to

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deteriorate because of shortage of EMU Coaches, the funds allotted for the purpose were diverted to other purposes."

1.9 In their action taken note dated 1 July, 1985, the Ministry of Transport (Department of Railways) have stated:

"As on 15-3-1984 the holding of EMU rakes on Central Railway was 73 rakes out of which 158 coaches, belonging to old imported stock, had completed codal life of 25 years. The Ministry of Railways have, however, decided that the EMU Coaches will not be replaced merely on the basis of codal life of 25 years. Replacement will be done instead on condition basis decided by competent personnel.

The delay in supply of DC EMU coaches to Central Railway was caused by constraints on funds in 1975-76 and 1976-77 (and not in 1978-79 and beyond) and time taken by M/s. Jessops to resume production of DC EMU Coaches after an interruption of production.

The funds allotted to DS EMU stock in subsequent years were utilised for other rolling stock only after ascertaining the inability of Jessops to utilise the provision of funds to the extent provided for. Thus, it was not a case of diversion of funds but the utilisation of available funds in the best possible manner consistent with the utilisation of capacities of various manufacturers."

1.10. The codal life of a EMU rake is 25 years. The Central Railway have a holding of 73 EMU rakes out of which 158 coaches, belonging to old imported stocks, had completed the codal life. The Committee have noted that the Railway Board have taken a decision not to condemn the EMU coaches merely on the basis of their age. Replacement will now be done on 'condition basis' as decided by competent authority. The Committee earnestly hope that in retaining the overaged coaches in the service the safety of passengers will not be over-looked and greater caution would be taken in retaining the overaged coaches. The Committee also desire that certain minimum technical safety norms must be prescribed for retaining the overaged coaches.

Delay in supplying/free supply items

(SI. Nos. 5 & 6 Paragraph 1.71 & 1.72)

1.11 Asking for the reasons for delay in supplying free supply items in particular steel, wheel-sets etc. to M/s. Jessops for manufacturing the motor coaches, the Committee had, in paragraphs 1.71 & 1.72 of their Report observed:

“The Committee observe that the deliveries of these coaches by M/s. Jessops were to commence from 1978-79 and were to be completed by 31 March, 1982. In this connection, the Ministry of Heavy Industry have stated that the order for 239 coaches was received by them in November, 1978 (not in November, 1977 as stated by the Ministry of Railways) with the stipulation that the delivery should commence within 12 to 14 months, i.e., by January 1980 and completed by 31 March, 1982. As Jessops had an installed capacity of 72 EMU coaches per year and at least 40 months were required to complete this order of 239 coaches, it was not possible to complete the order by 31 March, 1982 i.e. within 27 months from the date of placement of order. This shows that before placing the order for enhanced supplies on the Jessops, the Ministry of Railways (Railway Board) had not satisfied themselves as to the capacity of M/s. Jessops to supply as per schedule. It is also not clear as to why Jessops had agreed to the above date of delivery when they did not have the capacity to do so. As it turned out, Jessops could supply only 3 EMU coaches in 1980-81, 31 in 1981-82 and 53 in 1982-83 and they are now expected to complete the order by June, 1985. The main reason for delay in commencing the delivery, as stated by the Ministry of Heavy Industry, was delay in receipt of free supply items, such as, steel, electric traction equipment and wheel sets for motor coaches, from the Railways. In this connection, the Chairman and Managing Director, Jessops informed the Committee during evidence that the steel and electric which were to be supplied by the Railways by April 1979 and September 1979 respectively were received by them in October 1979 and January 1981. It is distressing that the Ministry of Railways did not properly estimate the extent to which these free supply items would be required and failed to arrange their timely supply while placing the orders for procurement of coaches. It is also

seen from the Audit paragraph that by the end of March 1982, the Jessops could supply only 21 coaches of which only one was motor coach and thus no rake could be formed out of the new coaches till November 1982. In this connection the Ministry of Heavy Industry have stated that upto the end of January 1982, Jessops had received only 9 sets of motor coach wheel-sets from the Railways to complete production of coaches upto March 1982 as wheel sets, a free supply item by Railways, required a lead time of about 2 months. Jessops could achieve a production of 34 coaches (30 trailer coaches and 4 motor coaches) only. The Committee would like to be apprised of the reasons for delay in supplying the free supply items in particular steel wheel-sets, etc."

1.12 The Ministry of Transport in their reply dated 16 May, 1985 and 1 July, 1985 replied as under:—

"Order for manufacture of 239 DC/EMUs on Jessops was placed in November 1978 with the delivery stipulation as per the offer of Jessops only as given below:

"Delivery of the above stock shall be commenced not later than 12|14 months from the date of the order and at the rate of 9 coaches per month and to be completed not later than 31-3-1982."

The Ministry of Industry has advised that prior to 1976-77 the annual capacity of Jessops for manufacture of DC/EMUs was 108 which was reduced to 72 DC/EMUs in 1976-77 and that M/s. Jessops had accepted a delivery @ 9 coaches per month on the consideration that they had a capacity of 180 MG coaches against which they had a pending order of only 85 Ev Pus scheduled to be completed by February, 1979 and the capacity could be utilised for production of EMUs. It is also stated that this delivery was based on the specific condition that adequate quality of steel in matched sets would be made available by Railways by April 1979 and of wheel sets and traction equipment by September, 1979.

It may be stated at the very outset that no such condition as at 'A' above finds place in the contract, though by implication as the first set of EMU coach was to be expected by February 1980 (14 months from November 1978 when

the order was placed) some steel in matching sets should have been supplied in 1979. As the order for free supply items can, however, be placed only after placement of order on Jessops immediate action thereafter was taken and orders on M/s. British Steel Corporation, U.K. and M/s. Sumitomo, Japan for supply of motor coach wheel sets were placed on 6-8-1979 and 21-8-1979 respectively. The supply of electrics was arranged from BHEL and delivery monitored in tripartite meetings held between Railway Board, BHEL and Jessops about which the position has been explained in detail in comments of para 1.72.

It needs however, to be mentioned that as indicated in the Annexure attached to para 1.72, steel for 50 coaches sets, wheel sets for 50 trailer coaches and electric traction equipment for 12 sets had been received in 1980-81. Thus while no motor coach wheel set had been supplied on account of reasons explained in the preceding para, the firm had sufficient material to supply trailer coaches in 1980-81. The firm, however, supplied only 3 Nos., of trailer coaches in that year. Further the entire quantity of steel, motor coach wheel sets for 15 coaches; trailer coach wheel sets for 58 coaches 8 sets of traction equipment were supplied to the firm in 1981-82. Though the firm even here could have supplied 8 number of motor coaches and 58 trailer coaches, they supplied only 4 motor coaches and 27 trailer coaches during 1981-82. Again, while a further supply of wheel sets for 15 coaches; wheels for 50 sets of trailer coach and 13 traction equipment was made in 1982-83, the firm supplied only 43 coaches (16 motor coaches and 27 trailer coaches).

Thus although steel for entire order of motor coach wheel sets for 30 motor coaches 158 trailer coach and 33 sets traction equipment had been supplied to the firm upto 1982-83, the firm could deliver only 57 trailer coaches and 20 motor coaches upto this period. It will not therefore, be correct to assume that the entire delay in production in Jessops works was on account of delayed supply in matching free supply items. It would be appreciated that the supply of "free supply items" has by and large to be made keeping pace with the productions as it is not prudent to block the entire money in advance

and supplies against this order have by and large been made keeping in view this aspect.

The supply position of steel and wheel sets is given in the Annexure. From the statement, it could be seen that orders for supply of steel and wheel sets were placed on firms quite timely. However, there were certain delays of supply of wheels by British Steel Corporation partly due to strike in their works and partly due to technical clarification required by them from R.D.S.O. After receipt of wheels, these were to be assembled in railway workshop after pressing the gearwheels which were to be supplied by BHEL alongwith Electric Equipment for making the complete motor coach wheel sets. It is however, to be seen that M/s. Jessops could not manufacture motor coaches to the extent of 9 motor coaches, for which free supply item of wheel sets was supplied to them upto January, 1982. Against 9 sets of motor coach wheel sets supplied to Jessops by January 1982, Jessops could produce only 4 motor coaches."

1.13 As there was divergence of opinion between the above reply of the Ministry of Transport (Department of Railways) and the views expressed by the Chairman and Managing Director, Jessops during evidence on 31 January 1984 as reproduced in paragraph 1.47 of their Report (Appendix I), the Committee decided to hold further evidence in this regard. However both the Departments of Railways and Public Enterprises (erstwhile Ministry of Heavy Industry) have submitted a Joint Note to the Committee on 22 September, 1986 as under:

"Order for manufacture of 239 DC/EMUs on Jessops was placed in November 1978 with the delivery stipulations as per the offer of Jessops as given below:

Delivery of the above stock shall be commenced not later than 12/14 months from the date of the order and at the rate of 9 coaches per month and to be completed not later than 31-3-1982."

Although the letter of intent was placed in this case in November, 1977 it was provided therein that the procurement of materials for manufacture of coaches shall not commence until a formal order was placed on Jessops which was done only in November 1978. Jessops had a capacity

to manufacture 72 DC/EMU and had installed capacity to manufacture 180 MG coaches in addition. As the only pending order with Jessops was for 85 EVPUs to be completed by September 1979, it was considered both by Railways and Jessops that the spare coach building capacity could be utilised by Jessops for production of EMUs to the extent of 9 EMU per month resulting in completion of delivery of 239 EMUs by 31-3-1982 i.e., in 27 months computed even from January 1980 as the delivery was to commence 12 to 14 months after placing of order. The above order envisaged that steel, wheel sets and electric tractions equipment would be supplied by the Railways as Free Supply Items in good time to enable Jessops to adhere to the delivery schedule.

Regarding the supply of "Free Supply Items", to which the delivery of EMU is related, as the first set of EMUs was expected by January 1980 (14 months from November 1978 when the order was placed), some steel in matching sets should have been supplied in 1st quarter of 1979-80 and wheelsets and tractions equipment in September, 1979. Immediate action had been taken by the Department of Railways and orders were placed on M/s. Sumitome, Japan for supply of wheels and axles respectively (for manufacture of motor coach wheelsets) on 6-8-1979 and 21-8-1979 respectively. Supply of electrics was also arranged by Railways Board from BHEL and deliveries thereof monitored. While adequate supply of steel in matching sets and trailer coach wheelsets had commenced in October 1979 and April 1979 respectively a small number of traction equipment had also been delivered by January 1981. The position in regard to the slippage of motor coach wheelsets which commenced in October 1981 and Electrics has been explained in Action Taken Notes of Department of Railways in respect of paras 1.72 and 1.73 of the Committee's Report.

While delay had taken place in the initial supply of the free supply items by the Railways, as indicated above, there have been production delays in Jessops due to chain reaction as explained in Para 1.47 of the Committee's Report.

Thus in view of position explained in the above paras it is felt that the delay in the final completion of the 239 EMUs Coaches was on account of both the Railways as well as Jessops."

1.14 In this connection, the Secretary, Department of Public Enterprises stated during evidence:

"What we had stated was from the point of view of our Department as to what were the reasons for delay and these items were mentioned in it, but what had been stated by the Railways, was naturally from their side. For this reason, there seemed to be difference in our explanation and their explanation. We have discussed the matters with Railways and prepared a Joint Note submitted to you and reasons for delay have been explained in details in this Joint Note. It has been stated in it:

"In view of the position explained in the above paras, it is felt that the delay in the final completion of 239-DC EMU Coaches was on account of both the Railways as well as that of the Jessops.

We tried to reconcile both point of views in this (note)."

1.15 When pointed out that this is not a question of reconciliation on points but a question of facts the Executive Director (Stores), Department of Railways admitted that "the materials should have been made earlier with in a reasonable period". In this connection Chairman, and Managing Director, Jessops stated:

"...there was an order placed in Jessops in November, 1975 and that order was cancelled. This order was re-transferred in November, 1977 to Jessops. The earlier order of Jessops was completed by 1977-78 and in 1978-79 only 15 coaches were made by Jessops. So Jessops had to divert its manpower, and jigs and fixtures were taken out and when the new order came accepting the initial delay of the free issue of materials, obviously, people were diverted, equipments were diverted. It has taken sometime for re-organising the whole thing. That was the reason why there was an initial delay. This I had explained in para 1.47 last time, when I appeared before the Committee. But, when subsequently the free issue of materials were received initially there was a problem, but later the position improved and production went up. There were also certain areas, where we had this problem of three to four months delay. That is the point. Subsequently, there was some delay from our side also... Obviously, whenever you take an order or given an order, that is, the lead time given, it does not form part of the contract."

1.16 When the Committee desired to know whether the delay was due to lack of co-ordination, the Chairman, Railway Board stated:

"There is a system of coordination in such matters where materials like free supply items for wagon manufacture or coach manufacture is done. Thus the coordination is maintained. In this case also, there was a meeting I am told sometime in April, where we had touched this point of free supply items by the Railways and why was it delayed. The delay was also conceded because some items were to be imported from abroad."

1.17 Elaborating the point further, the Executive Director (Stores) Department of Railways stated:

"Free supply of components in this contract consists of motor coaches, traylor coaches, wheel sets, electric traction equipments and out of that, because of steel, there was only a marginal delay. It arrived sometime in October, 1979. Similarly, in traylor coaches also there was no constraint, but unfortunately, it was due to traction equipment which was to be supplied by the BHEL which had promised to give us about 52 by the end of 1981-82 and orders had been placed in April, 1978, but they could not keep pace with the deliveries. So we have to buy the axles. We have to buy the wheels. For these two items, we have placed the order on foreign firms. The axles came quite earlier, but unfortunately, the wheels came somewhat later due to strike in the British firm. But the most essential part of it is that even if they had given it, we would not have been able to give them because there has been heavy slippage of supply by the BHEL. M/s. Jessops have been meeting us frequently and trying to sort out whatever they could."

In this connection, the Chairman and Managing Director, Jessops stated:

".....We have a mechanism in that every quarterly we have a meeting among the Railway Board representatives and the representatives of the BHEL either at Delhi, Calcutta or Bombay. There is a regular coordination meeting where the minutes of the meeting also are maintained."

Giving the reasons for delay in execution of the contract he stated:

".....The material consists traction equipment steel and wheel set. The traction equipment was delayed by 16 months and the wheel sets by 25 months. The motor coach is only the driving unit."

Explaining their position the Chairman, Railway Board stated:

".....If you really see from the angle what Jessop's representative in the Joint Note has made a reference to para 1.47 where they have talked about the chain reaction and where they have mentioned that the delay was due to the gap and that is how the delay in production took place because of the delay in the free supply items. But my understanding is that in the light of the earlier part of the Joint Note and in the light of the last paragraph it is not the intention of Jessops or the Department of Public Enterprises to say that the entire delay in the production of Jessops was due only to the chain reaction, namely, delay in the supply of free supply items. We have quoted some incidents where certain types of work could have been done, even though other type of work could not have been done. That is the reason for finally saying in the last paragraph that both the parties are jointly responsible for the delay. The delay took place because of the delay in supply, and then there is the annual chain reaction."

1.18 Asked in what way they were responsible for the delay and what their share was in it, the Chairman and Managing Director, Jessops replied:

"In certain areas, we have faltered by about five to seven coaches. There was a time schedule within which we had to supply and there was a delay of about three to four months."

In this regard the Chairman, Railway Board stated:

"There is a chain reaction annually. It is four or five months in a year."

The witness added:

".....Ours is a mixed economy and we are not self sufficient...Department of Railways is the biggest Department compared to other Departments and we do not make all the goods in the Railway but we have to take a number of goods from others and we have to depend on them. We take from others a number of items of which some are

taken from BHEL and non-supply of any of the goods in time create a number of difficulties for us.

Things are getting delayed because somebody who is supposed to supply certain items has not done so. The real accountability is not established, if those persons who are not doing their job, are to escape without any blame. If you simply hold the Railways only responsible for the delay, the real culprits who have failed the Railways will escape. It will not be right to say that only we are at fault and that our planning process is all wrong and so on."

1.19 In a subsequent note dated 3 October, 1986 the Department of Railways confirmed the escalation factor in the costs as under:

'A Total escalation of approx. Rs. 303 lakhs would have been payable on this basis on 239 EMUs even if all the coaches had been delivered by 31-3-1982. As against this, an amount of approx. 417.9 lakhs has been paid till 30-9-1986, and further claims to the extent of approx. Rs. 88 lakhs are anticipated, making a total of approx. Rs. 506 lakhs on account of escalation on the 239 EMUs. Thus an amount of approx. Rs. 203 lakhs towards escalation is attributable to the delayed execution of the contract.'

1.20 The main reason for delay in commencing the delivery, as stated by the Ministry of Heavy Industry, was due to late supply of items such as steel, electric traction equipment and wheel sets for motor coaches from the Railways. However, the Ministry of Transport (Department of Railways) had contested the above statement of the Ministry of Heavy Industry in their reply dated 16 May, 1985 and 1 July, 1985 and stated that M/s. Jessops had sufficient material to supply 15 trailer coaches in 1980-81 whereas it could supply only 8 trailer coaches in that year. Further, the entire quantity of steel, motor coach wheel sets for 15 coaches, trailer coach wheel sets for 58 coaches and 8 sets of traction equipment were supplied to the firm in 1981-82. Though the firm could have supplied 8 motor coaches and 58 trailer coaches, it supplied only 4 motor coaches and 27 trailer coaches during that period. Again, while a further supply of wheel sets for 15 coaches, wheels for 50 sets of trailer coaches and 13 sets of traction equipment was made in 1982-83, the firm supplied only 43 coaches (16 motor coaches and 27 trailer coaches). As there was divergence of opinion between the statements of the Ministry of Transport (Department of Railways) and the views expressed by M/s. Jessops during evidence on 31 January, 1984, the Committee decide to hold further evidence in this regard. Thereafter, both the Depart-

ments of Railways and public Enterprises (erstwhile Ministry of Heavy Industry) had submitted a joint note to the Committee on 22 September, 1986. In this note, both the Departments had agreed that while delay had taken place in the initial supply of free supply items by Railways, there have been production delays in Jessops due to chain reaction and thus the delay in the final completion of the supply of 239 EMUs coaches was on account of the Railways as well as Jessops.

1.21 The Committee are unhappy over furnishing of incomplete information to them particularly as is evident from the reply of the Department of Railways dated 16 May, 1985 and 1 July, 1985 that they had, instead of incorporating the views of M/s. Jessops in their action taken note, tried to put whole blame for delay in supplying EMU coaches on M/s. Jessops. Had the Committee not probed the matter ing of information of fact to the Committee should be avoided

1.22 The Committee, during the course of further evidence, noted that the Department of Railways and M/s. Jessops had fixed up scheduled dates for delivery of EMU coaches without taking into account the capacity of the manufacturer—Jessops and the availability of the free supply items to be made by the Railways. The Committee were informed that most of these free supply items had to be purchased from various sources including BHEL; M/s. British Steel Corporation UK and M/s. Sumitome, Japan and there was delay in supply of these items. This resulted in chain reaction and as admitted by the Chairman, Railway Board during evidence, the delay due to this chain reaction was '4 to 5 months a year'. Hence, there was delay in supply of EMU coaches by M/s. Jessops. Based on the lead time between the placement of the orders and the actual receipt of stores, Jessops/Railway Board should have pre-planned deliveries or purchase of free supply items to synchronise with the delivery schedule fixed for supply of EMU coaches. M/s. Jessops should also have agreed to the dates of deliveries of EMU coaches keeping in view its capacity. The economic aspect of this delay has been quantified by the Department of Railways at Rs. 203 lakhs by way of cost escalation payments besides untold hardship to the commuters. Various phases in the project should be thoroughly worked out initially to avoid delays and postponements. Had this been done, such huge escalation amounting to Rs. 203 lakhs could have been avoided and miseries to commuters, escalation of cost, prolongation of time could have been avoided. Each Department should discharge its specific part without passing it to others and should not take shelter in shifting the delay to other party. In this particular

case, Railways can not be exonerated of responsibility and Jessops have also not fulfilled their role effectively. It is necessary that the Department of Railways refine their planning and implementation procedure appropriately and tone up its implementation to avoid such delays.

Providing periodical overhaul facilities

(Sl. No. 17—Paragraph 1.110)

1.23 Enquiring the reasons for delay in setting up of a separate shed at Kalwa for day to day repairs, the Committee had, in Paragraph 1.110 of their Report, desired:

“The Committee note that the existing Car shed at Kurla, looking after the electrical portion of POH, was the only shed for the day to day running repairs. This shed had capacity to maintain only 500 EMU coaches. Keeping in view the increase in holding of coaches to over 500 and the need to give relief to the existing car shed, the Committee of 1972 referred to above, recommended setting up of a separate shed at Kalwa for day to day repairs. The Committee are surprised to find that though the Central Railway administration included it in its works programme for the year 1974-75 so that the repair facilities could be made available by April, 1977, the Railway Board approved this project in three phases in 1974-75, 1976-77 and 1980-81 works programmes, which has delayed the augmentation of repair facilities for EMU upto 1981-82 and failed to give any relief to Kurla car shed. The Committee would like to know the estimated and actual cost of this project and the time by which the project is likely to be completed as well as the reasons for delay in the execution of the project.”

1.24 In their O.M. dated 15 May, 1985, the Ministry of Transport (Department of Railways) have given the following reply:

“The estimated cost and actuals upto 31-3-1984 of the two stages of Phase I of the work viz., IA and IB already sanctioned for setting up repair/maintenance facilities at Kalwa Car shed are given below:

		(Rs. in lakhs)
	<i>Estimated cost</i>	<i>Actual cost upto 31-3-1984</i>
IA	293.32	420.88
IB	338.07	463.87

Phase IA & IB have already been completed. Estimates for Phase IC of this work amounting to Rs. 257.46 lakhs is under processing in Board's office. The work would take about two years to be completed after sanction of the estimates subject to the availability of funds.

Paucity of funds has been the reason for delay in the execution of this work."

1.25 From the reply furnished by the Ministry of Transport, the Committee find that Phase I viz., IA and IB of the work for setting in repair/maintenance facilities at Kalwa Car shed for day to day repairs has already been completed at a cost of Rs. 884.74 lakhs and that the estimates for Phase IC of the remaining work amounting to Rs. 257.46 lakhs were under processing in Railway Board's office. The Committee are concerned to note that the necessary funds for the work have not yet been made available. Further it would take about two years to complete the work after sanctioning of the estimates. The Committee would like to point out that repairs and periodical overhaul facilities are the most essential part of any organisation/industry to keep its assets in good working condition. Providing such facilities expeditiously assumes much more importance when EMUs are in short supply and the existing stock has to be intensively used. As part completion of the scheme would not be fully helpful/fruitful, the Committee desire that the funds for completion of the project so as to provide complete facilities as planned, should be provided without any further delay.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

Suburban trains serve as a lifeline for people in Bombay. People travel from far-flung areas in the city as well as suburbs to reach their places of work. Suburban services in Bombay are provided both by the Central and Western Railways. The Committee are concerned to find that while with the growth of population (which increased from 32.5 lakhs in 1950-51 to over 80 lakhs in 1980-81), the number of passengers travelling by suburban services in Bombay has increased more than 5 times (number of passengers being 772 million in 1982-83 as against 150 million in 1950-51), the number of trains has increased by only 1½ times (821 trains daily in 1982-83 as against 517 trains daily in 1950-51). The result has been heavy over-crowding and consequent hardship to the people. This is evident from the fact that against the carrying capacity of about 1700 passengers (900 sitting and 800 standing) a suburban train carries as many as 3,000 to 3,400 passengers in the morning and evening peak periods. What is still more disturbing is that with the continuous increase in the number of passengers and the inability of the railways to meet this increased demand due to shortage of EMU rakes and inadequate line capacity, the position is likely to further deteriorate. In the opinion of the Committee, it is high time that the Ministry of Railways realised the magnitude of the problem and prepared a perspective plan to augment its rolling stock as well as line capacity taking into account the growing demand of suburban traffic in the city of Bombay.

[S. No. 1, (Para 1.67) of 209th Report of P.A.C. (1983-84)—
VII Lok Sabha]

Action Taken

Problems of commuters of Bombay have been attracting the attention of the Railways from time to time. Transport needs of Bombay commuters have been assessed through a detailed survey

for optimising capacity on the existing corridors. Further, Metropolitan Transport Project (Railways) have also carried out extensive surveys to meet with the present and future requirements of the commuters of the Metropolis of Bombay. The proposals cover augmentation of rolling stock as well as line capacity of existing lines.

Major portion of Phase I works of optimisation scheme aimed at increasing line capacity of existing corridors by reducing time interval from 6 minutes to 5 minutes have already been completed. Additional trains are being introduced and some of the existing trains are being extended with the receipt of new rakes.

Fly-over bridge at Bandra connecting Western Railway and Central Railway has already been completed in October, 1983 for making it possible for through commuters to travel from the suburbs of Western Railway to stations on Central Railway. The commuters are thus saving a lot of time which was earlier required for picking up connecting trains at Dadar and inconveniences in getting in and out from crowded trains. Work on Andheri-Bandra section providing additional pair to lines is in progress. Fly-over at Raoli Junction on the Harbour Branch (part of 6th corridor) has also been sanctioned to handle increased suburban traffic on Bombay VT-Bandra-Andheri section.

Extension of the present suburban railway line from Kurla to Mankhurd further to Belapur *via* Thana Creek is in progress. This project will provide efficient train services to the commuters settled in areas of New Bombay like Vashi, Belapur, etc.

Thus while the needs of Bombay City have been appreciated and assessed through surveys, the extension of suburban services and network has not kept pace with the increasing needs due to the paucity of funds and inadequate manufacturing capacity of passenger coaches in the country.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 84-BC-PAC/VII/209 (Pt. II) dated 15-5-1985.]

Recommendation

The Audit para has highlighted various aspects of the unsatisfactory working of the suburban services run by the Central Railway in Bombay. While the Western Railway, with a holding of 578

DC EMUs could carry 785 million passengers, the Central Railway with 647 EMUs carried only 758 million passengers during 1980-81. The Central Railway was unable to run daily trains as per schedule. During the period from January, 1978 to April, 1981, out of 853 trains scheduled to run daily, only 810 trains were actually run and 42 to 43 trains were cancelled. Against an expected punctuality rate of 98 per cent of suburban trains, the punctuality rate of suburban trains run by the Central Railway was as low as 64 to 69 per cent while on the Western Railway, the same was 96 to 97 per cent.

[S. No. 2 (Para 1.68 of 209th Report of P.A.C. (1983-84-VII Lok Sabha.)

Action Taken

The observations of the Committee are noted. The reasons for excessive cancellations of the trains and low punctuality have been explained in reply to PAC points earlier. However, it is brought to the notice of the Committee that the measures taken in the meanwhile have started showing results. The number of trains run daily is expected to go up to 900 in November, 1984 time table. The punctuality has shown tremendous improvement, as the following statistics would reveal:

1981-82	82.2%
1982-83	87.8%
1983-84	92.6%
1984-85	94.4%

(Upto Aug. 84)

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 84-BC-PAC/VII/209 (Pt. II) dated 15-5-1985.]

Recommendation

In the context of delayed supplies of DC EMU coaches from Jesops, the Committee find that the Railway Board have since decided in November, 1982 to place an order for 50 such coaches in ICF for delivery to Central Railway in 1983-84. The Ministry of Railway while replying to USQ No. 3048 in Lok Sabha on 15 March, 1984 informed the House that the number of rakes ordered by the Railway Board was 31 and the revised delivery schedule of new EMU

coaches is 12 rakes upto 1983-84, 9 rakes during 1984-85 and the programme for the year 1985-86 and onwards was yet to be finalised. The Committee hope that at least now the present programme of supply of EMU rakes would be adhered to scrupulously by M/s Jessops and Integral Coaches Factory.

[S. No. 80 (Para 1.74) of 209th Report of P.A.C. (1983-84)
VII Lok Sabha.]

Action Taken

The Committee's observations are noted. All attempts will be made to adhere to the manufacturing schedules by monitoring the performance of Jessops and ICF.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 84-BC-PAC/VII/209 (Pt. II) dated 15-5-1985.]

Recommendation

The Committee find that the programme of the Railways for replacement of rolling stock including overaged E.M.Us has considerably suffered because of shortage of funds. The Committee were informed by the representative of the Ministry of Railways that right from the Third Five Year Plan, they were having this problem of shortage of funds and even at present Railways are having a large number of assets which are due for replacement and which have not been replaced because of financial constraints. Moreover, there is year to year uncertainty about the allocation of funds, with the result that Railways are not able to chalk out any long term plan for purchase and replacement of assets. As Railways have to acquire their rolling stock from either their own production units or from the public sector units and the time gap between placement of order and the actual supply is between 20 to 40 months, any subsequent cut in the allocation not only adversely affects the Railways, programmes for the acquisition of rolling stock but also the programmes of these production units as any reduction in the orders leads to idle capacity in these units. The Committee, therefore find sufficient weight in the statement of the Chairman, Railway Board made before the Committee that "I would appreciate if at the beginning of each Plan period we are given funds adequately so that all the production units which we have got either in the public sector or in the Railways sector work to their full capacity". The Committee feel that it is high time that this matter relating to adequate allocation of funds to the Railways for replacement of their overaged stock,

etc received immediate attention of the Planning Commission and the Ministry of Finance who should keep it in view while finalising the allocation for the Seventh Five Year Plan.

[S. No. 10, (Para 1.76) of the 209th Report of P.A.C.—
1983-84 (VII Lok Sabha)].

Action Taken

The Ministry of Railways have been bringing to the notice of Planning Commission as well as the Ministry of Finance their requirement of funds for various projects including these for augmentation of suburban services. For the Seventh Five Year Plan the capacity for manufacture of EMU coaches is proposed to be stepped up and to the extent coaches could be manufactured allocations will be asked for in the Seventh Five Year Plan.

The observations of the Committee made in this respect have been brought to the notice of Planning Commission for keeping in view while finalising the allocations for the Seventh Five Year Plan. Planning Commission has intimated that within the overall resources available every effort is made to give priority to replacement of assets in consultation with the Ministry of Finance. A similar approach will be followed by the Planning Commission during the Seventh Plan.

As far as the advance planning and orders for acquisition of rolling stock is concerned, Planning Commission has indicated that it will have no objections to the railway placing orders for procurement of rolling stock covering a period of 3 years instead of one year at present, subject to the total orders in terms of number of stock to be procured in the 3-year period not exceeding 80 per cent of the number of stock to be procured during that period, to be assessed as a pro rata proportion of the number of stock remaining to be procured out of the total number of stock provided for procurement in the five-year period. It has further intimated that the Planning Commission will have no objections if the Ministry of Railways come up with plans for identified core investment to reduce uncertainty regarding order for replacement of over-aged stock etc.

Action will be taken for procurement of rolling stock including EMU coaches on the basis of above.

This has been seen by Audit.

[Ministry of Railways (Railway Boards') O.M. No. 84-BC-
PAC/VII/209 (Pt. II) dated 26-6-1985.]

Recommendation

The Committee find that the programme of the Railways for replacement of rolling stock including overaged EMUs has considerably suffered because of shortage of funds. The Committee were informed by the representative of the Ministry of Railways that right from the Third Five Year Plan, they were having this problem of shortage of funds and even at present Railways are having a large number of assets which are due for replacement and which have not been replaced because of financial constraints. Moreover, there is year to year uncertainty about the allocation of funds, with the result that Railways are not able to chalk out any long-term plan for purchase and replacement of assets. As Railways have to acquire their rolling stock from either their own production units or from the public sector units and the time gap between placement of order and the actual supply is between 20 to 40 months; any subsequent cut in the allocation not only adversely affects the Railways' programme for the acquisition of rolling stock but also the programmes of these production units as any reduction in the orders leads to idle capacity in these units. The committee, therefore, find sufficient weight in the statement of the Chairman, Railway Board, made before the Committee that "I would appreciate if at the beginning of each Plan period we are given funds adequate so that all the production units which we have got either in the public sector or in the Railways sector work to their full capacity." The Committee feel that it is high time that this matter relating to adequate allocation of funds to Railways for replacement of their overaged stock etc. received immediate attention of the Planning Commission and the Ministry of Finance who should keep it in view finalising the allocation for the Seventh Five Year Plan.

Action Taken

The recommendation of the PAC will be kept in view while finalising the Seventh Five Year Plan.

[Ministry of Finance (Deptt. of Expenditure) O.M. No. 35(12)/
PF II-84 dated 23-10-1984.]

Recommendation

Another disturbing aspect about the planning in the Railways is that while the Railways are not able to maintain even their existing services and replace their existing stock of EMU coaches and other rolling stock because of shortage of funds they are spending huge funds on running of new services which have failed to appeal to the public. It is surprising that while Railways could not replace over-

aged EMU coaches in Central Railways because of shortage of funds, a new ring Railway was introduced in Delhi at a huge cost (Rs. 36.21 crores) on which only about 1000 passengers travel daily against an anticipated projection of 2.87 lakh passengers. The Chairman of the Railway Board tried to justify this on the plea that the service would be extended to nearby areas like Ghaziabad and Palwal but this would involve construction of proper platforms and stations which would take 2 to 3 years. The Committee feel that if the idea was to extend the service to nearby areas, the Railway authorities should have visualised the need of platforms, stations etc. necessary for the same in the beginning itself and started the work in this direction in advance so that the Ring Railway Service could have been properly utilised. The Committee desire that having already incurred an expenditure of a huge amount on the project the Ministry of Railways should take all necessary steps to make it financially viable.

[S. No. 11 (Para 1.77) of 209th Report of P.A.C. 1983-84
VIIIth Lok Sabha]

Action Taken

To solve the commuter problem of Delhi Metropolitan the Working Group set up by the Ministry of Works & Housing recommended in 1977 that besides development of road network and procurement of additional fleet of buses, provision of following rail facilities at a cost of Rs 53.62 crores may be undertaken:

- (i) Electrified intra-urban rail commuter services on the existing circular road with extension upto Tughlakabad in the South and Shakurbasti in the West.

Ring Railway Scheme:		Rs. 22.07 crores
(ii) Delhi/New Delhi-Ghaziabad	}	
New Delhi-Faridabad-Ballabgarh		31.55 crores
New Delhi/Delhi-Sonepat		33.62 crores

The Planning Commission cleared the project for introduction of EMU services on Delhi Ring with spurs to Shakurbasti and Tughlakabad in June, 1980 and EMU services were commissioned from August, 1982. The services, however, did not become popular. A Committee under the Chairmanship of Dr. Dalvi was set up by the

Planning Commission to go into the reasons for non-popularity of EMU services and recommend measures to make the same popular.

The Committee concluded that the traffic projections have not materialised as a result of an interplay of a number of factors. These factors are:

- (i) Non availability of direct bus routes from residential areas to work places.
- (ii) Differential fare structure of the rail and bus services.
- (iii) Long waiting time for rail commuters services due to low frequency of EMU services.
- (iv) The inadequate land use base along the Ring.
- (v) The inaccessibility of the Ring Stations to the commuters.
- (vi) Availability of direct and more convenient DTC routes.

One of the recommendations of the Committee is extension of EMU services to the electrified rail corridors converging at Delhi New Delhi. It has been emphasized by the Ministry of Railway that the implementation of the action plan as suggested by the Committee should be accepted as a package deal. It has further been emphasized that no part of the action plan should be taken in isolation because the reasons for the failure of the Ring are varied. Unless simultaneous action is taken by all concerned agencies, isolated investment will only result in further increase of liabilities.

In an inter-Ministerial meeting held in June, 1984 in Planning Commission, it was, *inter alia* agreed that:

- (a) On the basis of experience gained the Ministry of Railways may consider re-scheduling|adjustment of the frequency of the EMU services, if necessary, by replacing some of the conventional services on the radials as recommended by the Committee; and
- (b) The Railways will come up with concrete proposals based on the recommendations of the Committee for investments required in the long run.

Directives have been issued by the Board to Northern Railway to come up with specific proposals.

The commissioning of EMU services on the ring is the first step in solving the problems of commuters of Delhi Metropolis which, otherwise will have remained unattended for many years to come.

leading to the same situation as is being encountered in Calcutta and many other growing cities. It may, however, be mentioned that even with the extension of the services to the radials, the project is not likely to be financially viable. Such projects are provided purely on social benefit considerations and incur operational losses as other suburban services in Bombay, Calcutta and Madras and other countries in the world.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 84-BC-PAC|VII|209 (Pt. II), dated 15-4-1985.]

Recommendation

The Committee find that there is no prescribed percentage of 'ineffectives' for EMU, though for all types of coaches in passenger service, a target of 14 per cent for 'ineffectives' is laid down. The Ministry of Railways have tried to justify the same on the ground that as the operating conditions for DC & AC EMU suburban services are different between the suburban areas of Bombay, Calcutta, Madras and Delhi, no uniform norms of "ineffectives" in respect of EMU stocks could be laid down. Even if it were so, the Railway Board should have laid down different targets for different suburban areas so that the actual performance as against targets could have been judged. The Committee recommend that this should be done at least now without any delay.

[S. No. 12, (para 1.93) of 209th Report of P.A.C. (1983-84) VII Lok Sabha.]

Action Taken

It has been decided that the permissible ineffective percentage for EMU trailer coaches should be the same as laid down for conventional coaches i.e. 14 per cent and in regard to motor coaches, though the ineffective percentage is likely to be higher than that of trailer coaches, the same should be kept as low as possible preferably to the level as that of the trailer coaches. Instructions have accordingly been issued to the Railways *vide* this Ministry letter No. 83|Elec| (TRS)|445|1 dated 14.11.1984 (copy enclosed as Annexure).

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 84-BC-PAC|VII|209 (Pt. II) dated 1-7-1985, 10-6-1985]

COPY
GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No. 83|Elec (TRS)|445|1

New Delhi, Dt.: 14.11.84

The General Managers (Elect),
 Central, Eastern, Northern,
 Southern, South Eastern and Western Railways.

SUB: Ineffective percentage for EMU Stock

It has been decided that the permissible ineffective percentage for EMU Tractor Coaches should be the same as laid down for conventional passenger coaches i.e. 14 per cent.

In regard to the Motor Coaches, though it is recognised that the ineffective percentage is likely to be higher than that of tractor coaches, Board desire that the same should be kept as low as possible preferably at the same level as that of tractor coaches. In order to achieve this target the Railways will have to modernise repair and overhaul methods and procedures, in sheds as well as in the workshops, commence second shift working, wherever desirable and create adequate pool of unit exchange spares including pre-wired panels etc. The down time of motor coaches can be substantially reduced in the sheds by generating adequate pool of spare motorised bogies. In AOH/POH also the overhaul time can be considerably reduced by the above methods.

Board therefore, desire that the Railways should examine the existing repair and overhaul practices in detail and lay down modern maintenance practices, testing procedures and methods of working in order to achieve the target of 14 per cent in case of motor coaches also. A report indicating the proposed actions to achieve the above objective should be submitted to the Board early.

Sd/-

(K. S. SHARMA),

Jt. Director, Electrical (Traction), Railway Board.

Recommendation

From a comparison of the position of the ineffective EMUs in the Central and Western Railways, the Committee note that the per-

centage of "ineffectives" on Central Railway of motor coaches and trailer coaches has been between 16 to 25.9 and 15 to 17.5 during the years 1980-81 to 1983-84 (1st quarter) against the percentage of 10.5 to 11.8 and 9.0 to 9.7 for the same in Western Railway. The Ministry of Railways have informed the Committee that the ineffective percentage of indigenous motor coaches of Central Railway is comparable with that of Western Railway and that the same is, however, much higher for imported stock.

[S. No. 13, Para 1.94 of 209th Report of P.A.C. (1983-84)-VII
Lok Sabha]

Action Taken

Observations of the Committee are noted.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 84-BC-PAC/VII/209 (Pt. II) dated 15-5-1985.]

Recommendation

The Committee find that there had been excessive overloading of EMU motors specially during peak hours, resulting in high "ineffectives" of motor coaches. The condition of coaches in service over 20 years so much deteriorated due to this overloading as well as ageing of equipment that 82 of such motor coaches developed reverse camber involving major body repairs for prolonged period during 1979-80. The Committee are surprised to learn that although the RSDO recommended in 1978 that the booked speed of suburban trains be reduced from 72 km. ph. to 65 km. ph. this reduction in speed was made effective from May, 1982 only. The Committee would like to be informed of the reasons for this.

[S. No. 16, Para 1.109 of 209th Report of P.A.C. (1983-84)-VII
Lok Sabha]

Action Taken

For the same number of rakes available for traffic, the reduction in speed from 72 km. ph to 65 km. ph would have reduced the number of trains per day. The availability of rakes during four years, between 1978 to 1982 was much less due to non-receipt of new rakes on one hand and the retirement of about 10 rakes on the other, on age-cum-condition basis and also on account of damages which occurred mainly due to public agitations. Because of this,

cancellations of scheduled trains were already taking place. Reduction in speed from 72 km ph to 65 km ph would have reduced the number of trains further causing more discontentment among commuters which might have given rise to further public agitations and consequent damage to rakes. This was, therefore, delayed to the extent possible.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 84-BC-PAC/VII/209 (Pt. II) dated 15-5-1983.]

Recommendation

The Committee observe from the Audit paragraph that EMU coaches had also to be stabled for long periods at Kurla car shed due to non-availability of materials such as tyres, wheels and traction motors. During the period January 1979 to February 1981, about 25 coaches were stabled for periods in excess of 100 days in each case. The Committee recommend that steps to keep adequate stocks of these items should be taken. The departmental capacity of 5 to 6 armatures rewinding per month was inadequate to cope with the actual arisings of the order of 7 to 8 armatures per month. The Committee are unhappy that the Railway administration did not even programme on regular basis the off-loading of the additional requirements of re-winding of armatures either to trade or on the BHEL, thereby contributing to higher percentage of "ineffectives" among EMU motors. During 1979-80, out of 70 armatures 43 were got rewound from the outside firms. However, with the commissioning of Nasik workshop, rewinding works are not to be awarded now to the outside firms. The Committee are concerned to find a steep rise in the level of arisings of armatures of EMU traction motors for rewinding from 142 in 1981-82 to 204 in 1982-83. The Committee recommend that the Railway Board should go into the causes for increase in the level of arising of armatures for rewinding and take necessary remedial measures.

[S. No. 18, (Para 1.111) of 209th Report of P.A.C. (1983-84)-VII Lok Sabha.]

Action Taken

The observations of the Committee are note. The arisings of armatures needing rewinding were of the order of 5 to 7 per month

during 1979-80-81 period. The arisings beyond this period are as follows:—

	<i>Arisings/month</i>
1981-82	11.9
1982-83	17.0
1983-84	15.8
1984-85	10.0
(First quarter)	

Adequate capacity is now available in the Traction Motor Re-winding shop at Nasik to meet this workload. The capacity will be further increased on Central Railway to meet the demand, if required.

This has been seen by Audit.

[Ministry of Railways (Railway Board)'s O|M. No. 84-BC-PAC|
VII|209 (Pt. II) dated 15.5.1985]

CHAPTER III

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

Recommendation

The Committee find that between 1975-76 and 1978-79, there was practically no addition to the stock of the EMU coaches because of the indecisiveness of the Ministry of Railways. In June, 1974, the Ministry of Railways (Railway Board) placed an order for 76 DC EMUs on M/s. Jessops and Company, a Public Sector Undertaking. However, in December 1975 the order was withdrawn from M/s. Jessops and Company as it was decided to utilise the capacity of the Integral Coach Factory and Bharat Earth Moves Ltd. The order was not restored inspite of request of M/s. Jessops that they had made arrangements for steel procurement.

What is really surprising is that although the order with M/s. Jessops was cancelled no firm order was placed on the Integral Coach Factory. Only a letter of intent was issued. The result was that the I.C.F. did not manufacture a single coach. The same order was again restored to M/s. Jessops in November, 1977 alongwith an additional order for 17 EMUs in December, 1977. However, as M/s. Jessops had diverted their labour force to other purposes, it took them considerable time to restart the production of EMU coaches with the result that the delivery of these coaches has been considerably delayed. While in 1980-81, Jessops produced only 3 EMU coaches, in 1981-82, they produced 31 and in 1982-83, 43 coaches against their full capacity of 72. From these facts, the Committee cannot but conclude that the decision to cancel the orders with M/s. Jessops in December 1975 was ill-conceived and there has been a complete absence of perspective planning, foresight and realistic appraisal of production capacity of ICF on the part of the Ministry of Railways. If the Railways now find themselves saddled with a large number of overaged coaches, they are themselves to blame. The Committee desire that such lapses should not recur.

[S. No. 4 (Para 1.70) of 209th Report of P.A.C. (1983-84)—
VII Lok Sabha]

Action Taken

During the period from 1975-76 to 1978-79, M/s. Jessops and the Integral Coach Factory had manufactured 123 and 83 DC EMU coaches respectively. The production at Jessops during 1978-79 was nil and ICF had also not produced any DC EMU stock during 1977-78 and 1978-79. During this period, while Western Railway was in a position to increase its holding from 49 rakes at the end of 1975-76 to 62 rakes as on 31-3-1979, the Central Railway could augment its holding only marginally from 67 rakes to 70 rakes after meeting the replacement requirements.

The letter of intent pertaining to 76 DC EMU coaches on M/s. Jessops was withdrawn in December, 1975 consequent upon the decision taken in the inter-Ministerial meeting held on 21-10-1975 due to constraints of funds. After cancellation of the letter of intent on Jessops, another letter of intent was given to Integral Coach Factory which was subject to manufacture only on the availability of funds and traffic requirements. Besides, ICF had also to undertake manufacture of BG AC EMU stock for Eastern and South Eastern Railways and Southern Railway where the EMU services were introduced on 14-4-1979 on B.G. system.

The order for manufacture of 76 DC EMU coaches was restored in November, 1977 alongwith an additional order for 17 EMU coaches in December, 1977 as a sequent to the request made by the Ministry of Heavy Industry and the Jessops. The cancellation of the letter of intent of 76 DC EMU coaches on Jessops in December, 1975 was only as a result of the decision taken in the Inter-Ministerial meeting held on 21-10-1975 more due to the constraint of funds than due to the lack of planning.

This has been seen by Audit.

[Ministry of Railways (Railway Board)'s O.M. No. 84-BC-PAC/
VII/209 (Pt. II) dated 15-5-1985]

Recommendation

The Committee find that as per the terms of the contract, electrics, steel and wheelsets, which are free supply items, were to be supplied by the Ministry of Railways to M/s. Jessops and against the total order of 239 EMUs, 81 sets of electrics were required to be supplied. The Committee note that the Ministry of Railways placed order on BHEL only in February 1979 for supply of 52 sets against their requirement of 81 sets with delivery schedule at the rate of 6 sets in

1979-80, 26 sets in 1980-81 and 20 sets in 1981-82. However, the BHEL had supplied only 20 sets upto the end of March 1982. Anticipating a short-fall in the requirements of electrics, a contract was placed by the Railway Board on a Japanese firm in June 1980 for the balance requirements of 29 sets of electrics through BHEL. It is not clear to the Committee as to why the order on BHEL for supply of electrics was placed only in February 1979. Had the Railway Board shown the prudence expected of it and placed orders for electrics simultaneously with the BHEL in November 1977 when the order was re-transferred to Jessops along with an order for additional numbers, the scarce foreign exchange now being spent on procuring 29 electrics from abroad could have been saved. The Railway Board have tried to justify their decision to import these electrics on the plea that the BHEL was producing electrics of a design which was about 20 years old and by importing these electrics of modern technology, BHEL would get the right to manufacture the electrics of new design as it has been stipulated in the contract that the Japanese firm would pass on the more modern and reliable design of electrics to the BHEL. In the view of the Committee, this is nothing but an afterthought and a belated attempt to justify their lapse. The Committee recommend that failure on the part of Ministry of Railways to order these electrics with BHEL in time should be enquired into and responsibility for the same fixed.

[S. No. 7 (Para 1.73) of 209th Report of P.A.C. (1983-84)—
VII Lok Sabha]

Action Taken

When the letter of intent of 76 DC/EMU was re-transferred to Jessop in December, 1977, ICF was asked to make advance arrangement for the supply of Electrics from BHEL. Accordingly, ICF placed a letter of intent for supply of 32 sets of electrics on BHEL within four months i.e. on 19-4-1978 and this quantity was subsequently increased to 52 sets *vide* Board's letter of intent dated Feb. 1979 with the following delivery schedule:

1979-80	—	6
1980-81	—	26
1981-82	—	20

The question of meeting the entire requirement of 81 sets of electrics was taken up with Secretary, Ministry of Heavy Industry and BHEL by Board in March '78 *vide* Board's letter No. 74/RS (WTA) |142|Jessop|EMU|3 dated 1-3-1978 and 29-3-1978. In response

to this, the Chairman, BHEL indicated that the earliest they could commence supply of electrics was from Jan. '80 @ 2 sets per month and what they could give only 6 sets during 1979-80 and 24 sets in 1980-81 subject to corresponding deduction in supply of 6 sets of AC/EMU electrics for 79-80 and reduction of production of AC/EMU electrics from 30 sets to 24 sets in 1980-81.

Import of DC/EMU electrics was considered in view of BHEL's inability to meet Railway's requirement during 78-79, 79-80, even on long term basis upto 31-3-83, shortfall between Railway's requirement taking into consideration Jessop's capacity and BHEL's supply of Electrics was expected 29 sets to 41 sets. Thus ordering of electrics on import was not due to delayed coverage/ordering of electrics on BHEL, but this was due to BHEL's inability to meet Railway's requirements as forecast.

In view of the position clarified above, the Ministry of Railways do not find any officer responsible for delay in ordering the electrics on BHEL.

This has been seen by Audit.

[Ministry of Railways (Railway Board's O.M. No. 84-BC-PAC/
VII 209 (Pt. II) dated 15/16-5-1984]

CHAPTER IV

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

Recommendation

The Committee have been informed that the main reasons for this unsatisfactory performance is large holding of overaged EMU rakes on the Central Railway. The Committee find that as on 15-3-1984, out of 73 rakes with the Central Railway for suburban traffic, as many as 18 (67 coaches) were overdue for replacement having passed their codal life of 25 years. The Ministry of Railways have pleaded that these rakes could not be replaced because of shortage of funds. The Committee, however, do not find this argument convincing in view of the fact that even the funds allocated for purchase of EMUs were not fully utilised. In 1978-79, against the provision of Rs. 132 lakhs for the purpose, not a single rupee was spent and in 1979-80, 1980-81 and 1981-82 out of the funds allocated for the purpose, Rs. 68.6 lakhs, Rs. 788 lakhs and Rs. 274 lakhs respectively remained unspent. According to the reply of the representative if the Ministry of Railways given during evidence, due to overall inadequate allocation of funds for rolling stock these funds were diverted for the purposes. This, in the opinion of the Committee is highly disturbing. The Committee are unhappy that while on the one hand a vital service like the suburban service which caters to a large number of commuters in a city like Bombay was allowed to deteriorate because of shortage of EMU coaches, the funds allotted for the purpose were diverted to other purposes.

[S. No. 13 (Para 1.69) of 209th Report of P.A.C. (1983-84)
VII Lok Sabha]

Action Taken

As on 15-3-1984 the holding of EMU rakes on Central Railway was 73 rakes out of which 158 coaches, belonging to old imported stock, had completed codal life of 25 years. The Ministry of Railways have, however, decided that the EMU Coaches will not be

replaced merely on the basis of codal life of 25 years. Replacement will be done instead on condition basis decided by competent personnel.

The delay in supply of DC/EMU coaches to Central Railway was caused by constraints on funds in 1975-76 and 1976-77 (and not in 1978-79 and beyond) and time taken by M/s. Jessops to resume production of DC/EMU Coaches after an interruption of production.

The funds allotted to DC/EMU stock in subsequent years were utilised for other rolling stock only after ascertaining the inability of Jessops to utilise the provision of funds to the extent provided for. Thus, it was not a case of diversion of funds but the utilisation of available funds in the best possible manner consistent with the utilisation of capacities of various manufacturers.

This has been seen by Audit.

[Ministry of Railways (Railway Board's) O.M. No. 84-BC-PAC|VII|209, dated 1-7-1985|10-6-1986]

Recommendation

The Committee observe that the deliveries of these coaches by M/s. Jessops were to commence from 1978-79 and were to be completed by 31 March, 1982. In this connection, the Ministry of Heavy Industry have stated that the order for 239 coaches was received by them in November 1978 (Not in November 1977 as stated by the Ministry of Railways) with the stipulation that the delivery should commence within 12 to 14 months, i.e., by January 1980 and completed by 31 March, 1982. As Jessops had an installed capacity of 72 EMU coaches per year and at least 40 months were required to complete this order of 239 coaches, it was not possible to complete the order by 31 March, 1982 i.e., within 27 months from the date of placement of order. This shows that before placing the order for enhanced supplies on the Jessops the Ministry of Railways (Railway Board) had not satisfied themselves as to the capacity of the M/s. Jessops to supply as per schedule. It is also not clear as to why Jessops had agreed to the above date of delivery when they did not have the capacity to do so. As it turned out, Jessops could supply only 3 EMU coaches in 1980-81, 31 in 1981-82 and 53 in 1982-83 and they are now expected to complete the order by June 1985. The main reason for delay in commencing the delivery as stated by the Ministry of Heavy Industry, was delay in receipt of free supply items such as steel, electrics, traction equipment and wheel sets of motor coaches from the Railways. In this

connection, the Chairman and Managing Director, Jessops informed the Committee during evidence that the steel and electrics which were to be supplied by the Railways by April 1979 and September 1979 respectively were received by them in October 1979 and January 1981. It is distressing that the Ministry of Railways did not properly estimate the extent to which these free supply items would be required and failed to arrange their timely supply while placing the orders for procurement of coaches.

[S. No. 5, (para 1.71) of 209th Report of P.A.C. 1983-84
(7th Lok Sabha)]

Action Taken

Order for manufacture of 239 DC/EMUs on Jessops was placed in November 1978 with the delivery stipulation as per the offer of Jessops only as given below:

- A. "Delivery of the above stock shall be commenced not later than 12/14 months from the date of the order and at the rate of 9 coaches per month and to be completed not later than 31.3.82."

The Ministry of Industry has advised that prior to 1976-77 the annual capacity of Jessops for manufacture of DC/EMUs was 108 which was reduced to 72 DC/EMUs in 1976-77 and that M/s. Jessops had accepted a delivery @ 9 coaches per month on the consideration that they had a capacity of 180 MG coaches against which they had a pending order of only 85 Ev Pus scheduled to be completed by February 1979 and the capacity could be utilised for production of EMUs. It is also stated that this delivery was based on the specific condition that adequate quality of steel in matched sets would be made available by Railways by April 1979 and of wheel sets and traction equipment by September 1979.

It may be stated at the very outset that no such condition as at 'A' above finds place in the contract, though by implication as the first set of EMU coach was to be expected by February 1980 (14 months from November 1978 when the order was placed) some steel in matching sets should have been supplied in 1979 and wheel sets and traction equipment latest by end of 1979. As the order for free supply items can, however, be placed only after placement of order on Jessops immediate action thereafter was taken and orders on M/s. British Steel Corporation, U.K. and M/s. Sumitomo, Japan for supply of wheels and axles for manufacture of motor coach wheel sets were placed on 6-8-79 and 21-8-79 respectively.

The supply of electricis was arranged from BHEL and delivery monitored in tripartite meetings held between Railway Board, BHEL and Jessops about which the position has been explained in detail in comments of para 1.73.

It needs, however, to be mentioned that as indicated in the Annexure attached to para 1.73, steel for 50 coach sets, wheelsets for 50 trailor coaches and electric traction equipment for 12 sets had been received in 1980-81. Thus, while no motor coach wheelset had been supplied on account of reasons explained in the preceding para, the firm had sufficient material to supply 50 trailor coaches in 1980-81. The firm, however, supplied only 3 Nos. of trailor coaches in that year. Further the entire quantity of steel; motor coach wheel sets for 15 coaches; trailor coach wheelsets for 58 coaches and 8 sets of traction equipment were supplied to the firm in 1981-82. Though the firm even here could have supplied 8 number of motor coaches and 58 trailor coaches, they supplied only 4 motor coaches and 27 trailor coaches during 1981-82. Again, while a further supply of wheel sets for 15 coaches, wheels for 50 sets of trailor coach and 13 traction equipment was made in 1982-83, the firm supplied only 43 coaches (16 motor coaches and 27 trailor coaches). Thus although steel for entire order of motor coach wheelsets for 30 motor coaches 158 trailor coach and 33 sets traction equipment had been supplied to the firm upto 1982-83, the firm could deliver only 57 trailor coaches and 20 motor coaches upto this period. It will not therefore, be correct to assume that the entire delay in production in Jessops works was on account of delayed supply in matching free supply items. It would be appreciated that the supply of "free supply items" has by and large to be made keeping pace with the productions as it is not prudent to block the entire money in advance and supplies against this order have by and large been made keeping in view this aspect.

This has been seen by Audit.

[Ministry of Railways (Railway Board)'s O.M. No. 84-BC-PAC|VII|209(Pt. II) dated 1-7-1985|10-6-1986]

Recommendation

It is also seen from the Audit paragraph that by the end of March 1982, the Jessops could supply only 21 coaches of which only one was motor coach and thus no rake could be formed out of the new coaches till November 1982. In this connection, the Ministry of Heavy Industry have stated that upto the end of January 1982, Jessops had received only 9 sets of motor coach wheel-sets from the Railways to complete production of coaches upto March, 1982 as wheel sets, a free supply item by Railways, required a lead time of about 2 months. Jessops could achieve a production of 34 coaches (30 trailer coaches and 4 motor coaches) only. The Committee would like to be apprised of the reasons for delay in supplying the free supply items in particular steel wheel-sets, etc.

[S. No. 6, (Para 1.72) of 209th Report of P.A.C. (1983-84)-VII
Lok Sabha]

Action Taken

The supply position of steel and wheelsets is given in the Annexure. From the statement, it could be seen that orders for supply of steel and wheelsets were placed on firms quite timely. However, there were certain delays of supply of wheels by British Steel Corporation partly due to strike in their works and partly due to technical clarification required by them from R.D.S.O. After receipt of wheels, these were to be assembled in railway workshop after pressing the gearwheels which were to be supplied by BHEL along with Electric Equipment for making the complete motor coach wheelsets.

It is however, to be seen that M/s Jessops could not manufacture motor coaches to the extent of 9 motor coaches, for which free supply item of wheelsets was supplied to them upto Jan. '82. Against 9 sets of motor coach wheelsets supplied to Jessops by Jan. '82, Jessops could produce only 4 motor coaches.

This has been seen by Audit.

[Ministry of Railways (Railway Board)'s O.M. No. 84-BC-PAC|VII|209 (Pt. II) dated 15|16-5-1985]

ANNEXURE

Statement showing position of supply of Free Supply Items to Jessop for DC/EMUs Against Contract No. 74/RS (WTA)-142 Jessop/EMU/3 dated 10-11-1978

S.No.	Item	Qty. required for the order & qty. required upto 31-3-82	When order placed	Date of commencement of supply	Supply made 80-81 81-82 82-83 83-84	Expected in 84-85	Remarks	
1	Steel	239 coach set	1978	Oct. 79	50	Supply expected	supply completed	
2	Motor coach wheelsets	81 coach sets	Aug., 79	Oct. 81	Nil	15	33½	There were certain delay of supply of wheels by British Steel corpn. partly due to strike and partly due to tech. clarification required by them from RDSO
	i. Motor coaches wheel sets	712 Nos.	6-8-79	5/6 months after order		17½		
	ii Motor coach axles	356 Nos.	21-8-79	Supply completed in Dec. 79				
3	Trailer coach wheelsets	158 coach sets.	Aug., 79	April 79 (on import)	50	58	50	Supply completed
4	Electric traction equipment	81 coach set	April. 78	Dec. 80	12	8	10+3 import	22 26

The assembly of motor coach wheelsets is done by Rly. Workshop after pressing gear wheels supplied alongwith electrics by BHEL and wheels axles from impact

Recommendation

The Committee note that the existing Car shed at Kurla, looking after the electrical portion of POH, was the only shed for the day to day running repairs. This shed had capacity to maintain only 500 EMU coaches. Keeping in view the increase in holding of coaches to over 500 and the need to give relief to the existing car shed, the Committee of 1972 referred to above, recommended setting up of a separate shed at Kalwa for day to day repairs. The Committee are surprised to find that though the Central Railway administration included it in its works programme for the year 1974-75 so that the repair facilities could be made available by April, 1977, the Railway Board approved this project in three phases in 1974-75, 1976-77 and 1980-81 works programmes, which has delayed the augmentation of repair facilities for EMU upto 1981-82 and failed to give any relief to Kurla car shed. The Committee would like to know the estimated and actual cost of this project and the time by which the project is likely to be completed as well as the reasons for delay in the execution of the project.

[S. No. 17 (Paa 1.110) of 209th Report of PAC (1983-84) (VII Lok Sabha)]

Action Taken

The estimated cost and actual upto 31.3.1984 of the two stages of Phase I of the work viz. IA and IB already sanctioned for setting up repair/maintenance facilities at Kalwa Garshed are given below:

(Rs. in lakhs)		
	Estimated cost	Actual cost upto 31.3.1984
IA	293.32	420.88
IB	338.07	463.87

Phase IA & IB have already been completed. Estimates for Phase IC of this work amounting to Rs. 257.46 lakhs is under processing in Board's office. The work would take about two years to be completed after sanction of the estimates subject to the availability of funds.

Paucity of funds has been the reason for delay in the execution of this work.

This has been seen by Audit.

[Ministry of Railways (Railway Board)'s O.M. No. 84-BC-PAC/VII 209 (Pt. II) dated 15-5-1985]

CHAPTER V

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

Recommendation

The Committee note that the Central Railway suburban services in the harbour section from Bombay VT presently terminating at Bandra were running upto Andheri *via* Mahim and Bandra on the Western Railway till March 1956. This service which was very popular and of immense benefit to the commuters as it avoided change of route at the busy inter-change point at Dadar, was discontinued and terminated at Bandra for want of line capacity in 1956. In August 1977 a project for extension of Central Railways suburban services upto Bandra and Khar road stations for connecting the Central and Western Railway suburban services through a flyover was sanctioned by the Railway at a cost of Rs. 11.22 crores. The project, originally scheduled to be completed within 36 months, was actually completed in September 1983 and commissioned in October 1983 only. The Committee have been informed that the delay in execution of this project was mainly due to delay of about 15 months, in acquisition of private land having religious structures, execution of certain additional works involving material modifications at Andheri to remove the inadequate facilities for receiving and despatching of harbour branch trains which took an extra period of 7 months and carrying out the work only through nights under traffic blocks without disturbing the intensive commuter traffic on Western Railway resulting in completion of work of this portion by the contractor only by August 1980. Besides the above reasons for delay, fresh tenders had also to be invited and new contract awarded in December 1981. The Committee feel that all these reasons could have been foreseen by the Railway authorities and necessary steps taken to avoid the delays. Because of this lapse on their part, the commuters in Bombay were deprived of an essential facility for considerable period. The Committee would like to express their unhappiness over this lack of proper planning on the part of Railways. The Committee would like to be informed of the estimated cost, actuals, time over run in execution of this flyover and compensation, if any, paid to the previous contractor. They would also like to know whether the construction of

this flyover has resulted in increasing the efficiency of the Central Railway and if so, to what extent.

[S. No. 9 (Para 1.75) of 209th Report of PAC 1983-84
(VII Lok Sabha)]

Action Taken

The observations of the Committee have been noted. Replies to the specific points raised by PAC are as under:—

- | | |
|---|------------------|
| (a) Original estimated cost (1977) | Rs. 6.92 crores |
| (b) Second revised estimates cost
(December, 1982) | Rs. 11.22 crores |

The Bandra flyover has been completed and opened to traffic on 1.10.1983. The completion report has not been drawn as the accounts are being finalised. It is, however, expected that the anticipated actual expenditure will be about Rs. 11.21 crores.

(c) Time over-run: The contract was awarded in October 1978 and the work was required to be completed by February, 1981. Subsequently second revised estimate including additional facilities was sanctioned. Additional period of 7 months was required to provide these facilities. The work was actually completed and commissioned on 1.10.1983. The time over-run with reference to the 2nd revised estimate is 15 months.

(d) No compensation has so far been paid to the previous contractor.

The contractor has however, preferred claims amounting to Rs. 23.72 lakhs. These have been referred to the arbitrators on 28.1.84. Further position will be advised to PAC in the course.

(e) The purpose of flyover was to extend Bombay VT-Bandra services to Andheri and after commissioning the flyover 15 Up and 15 Dn trains are being operated over the flyover.

This has been seen by Audit.

[Ministry of Railways (Railway Board)'s O.M. No. 84-BC-PAC/
VII 209 (Pt. II) dated 15-5-1985]

Recommendation

The higher percentage of EMU coaches under repairs of periodical overhaul (POH) on the Central Railway is mainly due to lack of centralised periodical overhaul and running repair facilities on that Railway. Running repairs and POH of electrical portion of EMUs is undertaken at Kurla car shed whereas POH of mechanical portion is attended to at Matunga located at a distance of 5 kms. The Committee are concerned to note that due to problems of coordination and delay in movement and of coaches, the Central Railway takes 58 and 36 days for POH of a motor and a trailer coach respectively as against 17.5 days and 12.5 days in the Western Railway. What is surprising to the Committee is the fact that the transit time between the two shops alone which involves a distance of 5 kms. accounts for a delay of 11 days per coach. The Chairman, Railway Board was candid enough to admit during evidence that the transit time 'is on a high side' and "to cover the distance between these two places it might take two days or one day." How dearly this lapse on the part of Central Railway is costing the public exchequer can be seen from the fact that a reduction of 13 days in the existing time of POH per coach would result in an extra earning of Rs. 1.37 crores per year, besides improving performance of the Railway. It raises the comprehension of the Committee how this state of affairs has been allowed to continue for so long. The Committee, therefore, recommend that the reasons for this delay in transit should be looked into and till the entire work is centralised at Matunga the transit time should be brought down to a day or so against 11 days at present.

[S. No. 14, (Para 1.95) of 209th Report of PAC (1983-84)—
(VII Lok Sabha)]

Action Taken

The observations of the Committee are noted. As advised the centralised POH facilities have now been set up at Matunga Workshops. As regards the transit time of the POH coaches, it is submitted that the period of 11 days represents the total time taken for all coaches given POH during the month and not the transit time of one coach. The transit time per coach on this basis comes to 0.35 days and 0.22 days in 1980-81 and 1981-82 respectively. Central Railway has been instructed to monitor the transit time and reduce this period further.

Audit Observation

"The action taken note on Para 1.95 is, however, still under reference with D.A. Central Railway and our remarks, if any, would follow."

[Ministry of Railways (Railway Board)'s O.M. No. 84-BC—
PAC|VII|209 (Pt. II) dated 5-5-1985]

Recommendation

The Committee find that during 1970-71, a Committee of Engineers appointed by the Railway Board had recommended that the POH be centralised at Matunga on Central Railway as this would reduce the POH period by at least 13 days. Though these recommendations were accepted by the Railway Board in 1978, it did not approve the execution of the scheme as proposed by the Central Railway estimated to cost Rs. 5 crores in 1974-75 and 1975-76 works programme owing to constraint of funds. In the meantime, some running repair facilities at Kurla and Kalwa Car shed were augmented in the hope that this would reduce the time taken in POH work. However, in actual practice, this led to further delay. Hence a Committee of the General Managers of Western and Central Railways was appointed in June, 1978 to examine the scheme *de novo*. The Committee are surprised at this decision. As the recommendations of the earlier Committee were already accepted by the Railway Board in 1973, it is not clear as to why in June 1978 a Committee of two General Managers of Central and Western Railways was again appointed to examine, *de novo* the merits of the scheme. In the opinion of the Committee, this has only unnecessarily delayed the approval of the scheme till June 1979 apart from escalation in estimated cost from Rs. 5.00 crores to 7.40 crores which, in actual practice, may turn out to be much more. As the matter has already been much delayed, the Committee desire that the recommendations of the Second Committee of General Managers should be implemented without any further loss of time. In this regard, the Chairman, Railway Board had assured the Committee that all the work on centralisation of POH facilities at Matunga would be completed, by the middle of 1984. The Committee hope that this assurance would be kept. The Committee desire that they should be informed by July 1984 about the completion of this project. The Committee further desire that the number of days for POH should be reduced to a period of 15 days, as laid down by the Railway Board,

so as to enable the Central Railway to provide better service to commuters.

[SI. No. 15 (para 1.96) of 209th Report of PAC—1983-84
(VII Lok Sabha)]

Action taken

The recommendations of the Second Committee of General Managers have been implemented. The work of centralising the POH of EMU rakes was sanctioned in 79-80, as a part of Phase I modernisation of Matunga Workshop. EMU rakes are being given centralised POH attention with respect to their mechanical and electrical repairs in Matunga workshop. Action has also been taken to set up overhead equipment testing facilities at Matunga for trial of EMU rakes after POH attention. This work will be completed by the end of Jan. '85.

2. The project of centralisation of EMU POH activities entails reduction in POH days in Matunga workshop from 35 to 26 working days. This objective has since been achieved for the rakes being POHed in Matunga workshop. However, further efforts continue to improve on the repair days for POH.

This has been seen by Audit who have stated that the matter is under examination in consultation with Director of Audit, Central Railway.

[Ministry of Railways (Railway Board)'s O.M. No. 84-BC—
PAC|VII|209 (Pt. II) dated 20-4-1985]

NEW DELHI;
10 November, 1986

Kartika 19, 1908 (Saka)

E. AYYAPU REDDY,
Chairman,
Public Accounts Committee.

PART II

MINUTES OF THE 17TH SITTING OF THE COMMITTEE ON PUBLIC ACCOUNTS HELD ON 11 SEPTEMBER, 1986 (F.N.)

The Committee sat from 11.00 hours to 12.30 hours.

PRESENT

Shri E. Ayyapu Reddy—*Chairman*.

MEMBERS

Lok Sabha

2. Shri J. Chokka Rao
3. Shrimati Prabhawati Gupta
4. Shri G. S. Mishra
5. Shri Rajmangal Pande
6. Shri H. M. Patel
7. Shri S. Singaravadivel
8. Shri Simon Tigga
9. Shri Girdhari Lal Vyas

Rajya Sabha

10. Shri Bhuvnesh Chaturvedi
11. Shri Ghulam Rasool Kar
12. Shri A. K. Antony
13. Shri Nirmal Chatterjee

SECRETARIAT

1. Shri K. H. Chhaya—*Chief Financial Committee Officer*.
2. Shri Krishnapal Singh—*Senior Financial Committee Officer*
3. Shri Brahmanand—*Senior Financial Committee Officer*

REPRESENTATIVES OF THE OFFICE OF C&AG

1. Shri T. M. George—ADAI (Reports)
2. Shri P. C Asthana—ADAI (Railways)
3. Shri Gopal Singh—Joint Director (P&T)

* * * * *

3. The Committee then considered draft Report on action taken on recommendations contained in their 209th Report (7th Lok Sabha) regarding performance of suburban services of Central Railway and approved the draft Report with certain modifications as shown in Annexure II. The Committee decided to hold further evidence in regard to Para 1.14 of the draft Report.

4. The Committee also approved certain modifications and other verbal changes arising out of factual verification by Audit.

* * * * *

ANNEXURE II

Modifications/amendments made by the Public Accounts Committee in the Draft Report on action taken on the recommendations contained in 209th Report of Public Accounts Committee (7th Lok Sabha) regarding performance of suburban Services of the Central Railway.

Page	Para	Line	Modifications/Amendments
6	1.10	9	Put condition basis within inverted commas to read 'condition basis'
6	1.10		Add the following at the end : "and greater caution would be taken in retaining the overaged coaches. The Committee also desire that certain minimum technical safety norms must be prescribed for retaining the overaged coaches."

MINUTES OF THE 10TH SITTING OF THE COMMITTEE ON
PUBLIC ACCOUNTS HELD ON 25 SEPTEMBER, 1986.

The Committee sat from 1500 hrs. to 1000 hrs.

PRESENT

Shri Girdhari Lal Vyas—*In the Chair*

2. Shri J. Chokka Rao
3. Shri Ranjit Singh Gaekwad
4. Shrimati Prabhawati Gupta
5. Shri G. S. Mishra
6. Shri Vilas Muttemwar
7. Shri G. Devaraya Naik
8. Shri Rajmangal Pande
9. Shri S. Singaravadivel
10. Shri Simon Tigga
11. Shri Nirmal Chatterjee
12. Shri M. S. Gurupadaswamy
13. Shri Virendra Verma

SECRETARIAT

1. Shri K. H. Chhaya—*Chief Financial Committee Officer*
2. Shri Brahmanand—*Senior Financial Committee Officer*
3. Shri Krishnapal Singh—*Senior Financial Committee Officer*

REPRESENTATIVES OF THE C&AG OF INDIA

1. Shri P. C. Asthana—Addl. Deputy, C&AG (Railways)
2. Shri P. N. Mishra—Joint Director (Railways)

MINISTRY OF TRANSPORT (DEPTT. OF RIALWAYS)

1. Shri Prakash Narain—Chairman, Railway Board
2. Shri S. K. Mitra—Adviser Finance
3. Shri J. P. Char—Executive Director (Store)

DEPARTMENT OF PUBLIC ENTERPRISES

1. Shri V. K. Dar—Secretary
2. Shri C. K. Sharma—Director

M/s. JESSOP & CO. LTD.

1. Shri S. R. Chaudhuri—Chairman and Managing Director
2. Shri H. K. Sabhawmick—Divisional Manager
3. Shri K. L. Tuli—Resident Manager

2. The Committee in the absence of Chairman requested Shri Girdhari Lal Vyas to act as Chairman for the sitting under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee considered the Joint Note submitted by the Department of Public Enterprises (erstwhile Ministry of Heavy Industry) and the Department of Railways and thereafter took up for consideration Para 1.71 of 209th Report (7th Lok Sabha). As in their note dated 22 September, 1986, the Ministry of Transport (Department of Railways) had tried to put whole blame for delay in supplying EMU coaches on M/s. Jessops and in the joint note both the Departments had agreed that while delay had taken place in the initial supply of free supply items by Railways, there have been production delays in M/s. Jessops due to chain reaction and thus the delay in the final completion in the supply of 239 EMU coaches was on account of the Railways as well as Jessops.

4. In this connection, the Secretary, Department of Public Enterprises stated during evidence :

“What we had stated was from the point of view of our Department as to what were the reasons for delay and these items were mentioned in it, but what had been stated by the Railways, was naturally from their side. For this reason, there seemed to be difference in our explanation and their explanation. We have discussed the matter with Railways and prepared a Joint Note submitted to you and reasons for delay have been explained in detail in this Joint Note. It has been stated in it :

“In view of the position explained in the above paras. It is felt that the delay in the final completion of 239-DC

EMU Coaches was on account of both the Railways as well as that of the Jessops."

We tried to reconcile both point of views in this (note)."

When pointed out that this is not a question of reconciliation on points but a question of facts, the Executive Director (Stores), Department of Railways admitted that "the materials should have been made earlier with a reasonable period". In this connection Chairman, and Managing Director Jessops stated :

"...there was an order placed on Jessops in November 1975 and that order was cancelled. This order was re-transferred in November 1977 to Jessops. The earlier order of Jessops was completed by 1977-78 and in 1978-79 only 15 coaches were made by Jessops. So Jessops had to divert its manpower, and jigs and fixtures were taken out and when the new order came accepting the initial delay of the free issue of materials, obviously people were diverted, equipments were diverted. It has taken sometime for re-organising the whole thing. That was the reason why there was an initial delay. This I had explained in Para 1.47 last time, when I appeared before the Committee. But, when subsequently the free issue of materials were received initially there was a problem, but later the position improved and production went up. There were also certain areas, where we had this problem of three to four months delay. This is the point. Subsequently, there was some delay from our side also..... Obviously, whenever you take an order or given an order, that is, the lead time given, it does not form part of the contract."

When the Committee desired to know whether the delay was due to lack of co-ordination, the Chairman, Railway Board stated :

"There is a system of coordination in such matters where materials like free supply items for wagon manufacture or coach manufacture is done. Thus the coordination is maintained. In this case also, there was a meeting I am told sometime in April, where we had touched this point of free supply items by the Railways and why was it delayed. The delay was also conceded because some items were to be imported from abroad."

Elaborating the point further, the Executive Director (Stores), Department of Railways stated :

"Free supply of components in this contract consists of motor coaches, trailer coaches, wheel sets, electric traction equipments and out of that, because of steel, there was only a marginal delay. It arrived sometime in October, 1979. Similarly, in trailer coaches also there was no constrain, but unfortunately, it was due to traction equipment which was to be supplied by the BHEL which had promised to give us about 52 by the end of 1981-82 and orders had been placed in April 1978, but they could not keep pace with the deliveries. So we have to buy the axles. We have to buy the wheels. For these two items, we have placed the order on foreign firms. The axles came quite earlier, but unfortunately, the wheels came somewhat later due to strike in the British firm. But the most essential part of it is that even if they had given it, we would not have been able to give them because there has been heavy slippage of supply by the BHEL. M/s. Jessops have been meeting us frequently and trying to sort out whatever they could."

In this connection, the Chairman and Managing Director, Jessops stated :

".....We have a mechanism in that every quarterly we have a meeting among the Railway Board representatives and the representatives of the BHEL either at Delhi, Calcutta or Bombay. There is a regular coordination meeting where the minutes of the meeting also are maintained."

Giving the reasons for delay in execution of the contract, he stated :

".....The material consists traction equipment steel and wheel set. The traction equipment was delayed by 16 months and the wheel sets by 25 months. The motor coach is only the driving unit."

Explaining their position the Chairman, Railway Board stated:

".....If you really see from the angle what Jessop's representative in the Joint Note has made a reference to para

1.47 where they have talked about the chain reaction and where they have mentioned that the delay was due to the gap and that is how the delay in production took place because of the delay in the free supply items. But my understanding is that in the light of the earlier part of the Joint Note and in the light of the last paragraph it is not the intention of Jessops or the Department of Public Enterprises to say that the entire delay in the production of Jessops was due only to the chain reaction, namely, delay in the supply of free supply items. We have quoted some incidents where certain types of work could have been done, even though other type of work could not have been done. That is the reason for finally saying in the last paragraph that both the parties are jointly responsible for the delay. The delay took place because of the delay in supply, and then there is the annual chain reaction."

Asked in what way they were responsible for the delay and what their share was in it, the Chairman and Managing Director, Jessops replied :

"In certain areas, we have faltered by about five to seven coaches. There was a time schedule within which we had to supply and there was a delay of about three to four months."

In this regard the Chairman, Railway Board stated :

"There is a chain reaction annually. It is four or five months in a year."

The witness added :

".....Ours is a mixed economy and we are not self sufficient.....Department of Railways is the biggest Department compared to other Departments and we do not make all the goods in the Railway but we have to take a number of goods from others and we have to depend on them. We take from others a number of items of which some are taken from BHEL and non-supply of any of the goods in time create a number of difficulties for us.

Things are getting delayed because somebody who is supposed to supply certain items has not done so. The real accountability is not established, if those persons who are

not doing their job, are to escape without any blame. If you simply hold the Railways only responsible for the delay the real culprits who have failed the Railways will escape. It will not be right to say that only we are at fault and that our planning process is all wrong and so on.

The Committee then adjourned.

MINUTES OF THE 21ST SITTING OF THE COMMITTEE ON
PUBLIC ACCOUNTS HELD ON 6 OCTOBER, 1986.

The Committee sat from 1500 hrs. to 1630 hrs.

PRESENT

Shri M. S. Gurupadaswamy—*In Chair*

2. Shri J. Chokka Rao
3. Shri Ranjit Singh Gaekwad
4. Shrimati Prabhawati Gupta
5. Shri G. Devaraya Naik
6. Shri Rajmangal Pande
7. Shrimati Jayanti Patnaik
8. Shri S. Singaravadivel ..
9. Shri Simon Tigga
10. Shri Ghulam Rasool Kar
11. Shri A. K. Antony
12. Shri Nirmal Chatterjee
13. Shri Virendra Verma

SECRETARIAT

1. Shri K. H. Chhaya—*Chief Financial Committee Officer*
2. Shri Brahmanand—*Senior Financial Committee Officer*
3. Shri Krishnapal Singh—*Senior Financial Committee Officer*

REPRESENTATIVES OF AUDIT

1. Shri T. M. George, Addl. Deputy C & AG (Reports—
Central)
2. Shri K. Tyagarajan, Director of Audit (P&T)
3. Shri R. Parameswar, Director of Audit, CWM-I
4. Shri Gopal Singh, Jt. Director of Audit (P&T)

5. Shri V. S. Jakhmola, Jt. Director of Audit CWM-I
6. Shri K. R. Rayalu, Joint Director (Reports)
7. Shri P. N. Mishra, Joint Director (Railways)

2. The Committee in the absence of Chairman requested Shri M. S. Gurupadaswamy to act as Chairman for the sitting under Rule 258 (3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee considered and adopted the following draft Reports with some amendments/modifications as shown in Annexures I & II respectively:—

- * * * * *
- (ii) Draft Report on Action Taken on the recommendations contained in Paragraph 1.71 of 209th Report of Public Accounts Committee (7th Lok Sabha) regarding Performance of suburban services of the Central Railway.

4. The Committee also approved certain modifications and other verbal changes arising out of factual verification by Audit.

5. The Committee authorised the Chairman/Conveners to finalise the draft Reports and present the same to the House.

The Committee then adjourned.

ANNEXURE II

Modifications/Amendments made by the Public Accounts Committee in the Draft Report on Para 1.71 of 209th Report of PAC (7th Lok Sabha)

Page	Line	For	Read
1	2	3	4
8		<p><i>Add the following new para at the end of the page and renumber the subsequent paragraphs.</i></p> <p><i>"In a subsequent note the Department of Railways confirmed the escalation factor in the costs as follows :—</i></p> <p><i>A total escalation of approx. Rs. 303 lakhs would have been payable on this basis on 239 EMUs even if all the coaches had been delivered by 31-3-1982. As against this, an amount of approx. Rs. 417.9 lakh has been paid till 30-9-1986, and further claims to the extent of approx. Rs. 88 lakhs are anticipated, making a total of approx. Rs. 506 lakhs on account of escalation on the 239 EMUs. Thus an amount of approx. Rs. 203 lakhs towards escalation is attributable to the delayed execution of the contract."</i></p>	

1	2	3	4
9	20	'13 traction equipment'	'13 sets of traction equipment'
10	8	<i>Delete 'both'</i>	
10	17	<i>Add the following sentence at the end.</i>	
		<i>"Incomplete furnishing of information of fact to the Committee should be avoided"</i>	
10	21	<i>"keeping"</i>	<i>'taking'</i>
10	25	<i>'bought out'</i>	<i>'purchased'</i>
11	1	<i>Delete 'annually'</i>	
11	9	<i>'systematise'</i>	<i>'synchronise'</i>
11	17-25	<i>For "The Committee are unhappy... capacity of the suppliers"</i>	
		<i>"Read "Various phases in the project should be thoroughly worked out initially to avoid delays and postponements. Had this been done, such huge escalation amounting to Rs. 203 lakhs could have been avoided and miseries to commuters, escalation of cost, prolongation of time could have been avoided. Each Department should discharge its specific part without passing it to others and should not take shelter in shifting the delays on the other party. In this particular case, Railways can not be exonerated of responsibility and Jessops have also not fulfilled their role effectively. It is necessary that the Department of Railways refine their planning and implementation procedure appropriately and tone up its implementation to avoid such delays."</i>	

APPENDIX

Statement of Recommendations and Observations

Sl. No.	Para No.	Ministry/ Deptt.	Recommendation/Observation
1	2	3	4
1.	1.3	Deptt. of Railways	<p>The Committee expects that final replies to those recommendations and observations in respect of which only interim replies have so far been furnished will be submitted to them, duly vetted by Audit, without delay.</p>
2.	1.7	-do-	<p>In their earlier Report the Committee had pointed out that the Central Railway with 647 EMUs could carry only 758 million passengers against 785 million passengers carried by the Western Railway with a holding of 578 EMUs during 1980-81. Similarly, during the period from January 1978 to April 1981, out of 853 trains scheduled to run daily only 810 trains were actually run and 42 to 43 trains were cancelled. Whereas the Ministry of Transport (Department of Railways) have informed that the punctuality rate of suburban trains run by the Central Railway has shown improvement from 64 per cent —69 per cent to 94.4 per cent in 1984-85, the reasons for carrying less passengers with more holdings of EMUs in comparison to Western</p>

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Railway have not been given. The Ministry have also not explained reasons/causes for heavy cancellation of suburban trains run by the Central Railway. The Committee would like to know the present position of the passenger traffic carried and the cancellations of trains run by the Central Railway.

The codal life of a EMU rake is 25 years. The Central Railway have a holding of 73 EMU rakes out of which 153 coaches, belonging to old imported stocks, had completed the codal life. The Committee have noted that the Railway Board have taken a decision not to condemn the EMU coaches merely on the basis of their age. Replacement will now be done on condition basis as decided by competent authority. The Committee earnestly hope that in retaining the over-aged coaches in the service the safety of passengers will not be over-looked and greater caution would be taken in retaining the overaged coaches. The Committee also desire that certain minimum technical safety norms must be prescribed for retaining the overaged coaches.

The main reason for delay in commencing the delivery, as stated by the Ministry of Heavy Industry, was due to late supply of items such as steel, electric traction equipment and wheel sets for motor coaches from the Railways. However, the Ministry of Transport (Department of Railways) had contested the above statement of the

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3 1.10 Deptt. of Railways

4 1.20 Deptt. of Railways/Deptt.
of Public Enterprises

Ministry of Heavy Industry in their reply dated 16 May, 1985 and 1 July, 1985 and stated that M|s. Jessops had sufficient material to supply 15 trailer coaches in 1980-81 whereas it could supply only 3 trailer coaches in that year. Further, the entire quantity of steel; motor coach wheel sets for 15 coaches, trailer coach wheel sets for 58 coaches and 8 sets of traction equipment were supplied to the firm in 1981-82. Though the firm could have supplied 8 motor coaches and 58 trailer coaches, it supplied only 4 motor coaches and 27 trailer coaches during that period. Again, while a further supply of wheel sets for 15 coaches, wheels for 50 sets of trailer coaches and 13 sets of traction equipment was made in 1982-83, the firm supplied only 43 coaches (16 motor coaches and 27 trailer coaches). As there was divergence of opinion between the statements of the Ministry of Transport (Department of Railways)) and the views expressed by M|s. Jessops during evidence on 31 January, 1984, the Committee decided to hold further evidence in this regard. Thereafter, both the Departments of Railways and Public Enterprises (erstwhile Ministry of Heavy Industry) had submitted a joint note to the Committee on 22 September, 1986. In this note, both the Departments had agreed that while delay had taken place in the initial supply of free supply items by Railways, there have been production delay in Jessops due to chain reaction and the delay in the final completion of the supply of 239 EMUs coaches was on account of both the Railways as well as Jessops.

The Committee are unhappy over furnishing of incomplete information to them particularly as is evident from the reply of the Depart-

ment of Railways dated 16 May, 1985 and 1 July, 1985 that they had, instead of incorporating the views of M|s. Jessops in their action taken note, tried to put whole blame for delay in supplying EMU coaches on M|s. Jessops. Had the Committee not probed the matter further, full facts would not have come before it. Incomplete furnishing of information of fact to the Committee should be avoided.

6. 1.22 Deptt. of Railways/
Deptt. of Public
Enterprise

The Committee, during the course of further evidence, noted that the Department of Railways and M|s. Jessops had fixed up scheduled dates for delivery of EMU coaches without taking into account the capacity of the manufacturer—Jessops and the availability of the free supply items to be made by the Railways. The Committee were informed that most of these free supply items had to be purchased from various sources including BHEL; M|s. British Steel Corporation UK and M|s. Sumitome, Japan and there was delay in supply of these items. This resulted in chain reaction and as admitted by the Chairman, Railway Board during evidence, the delay due to this chain reaction was '4 to 5 months a year'. Hence, there was delay in supply of EMU coaches by M|s. Jessops. Based on the lead time between the placement of the orders and the actual receipt of stores, Jessops|Railway Board should have pre-planned deliveries or purchase of free supply items to synchronise with the delivery schedule fixed for supply of EMU coaches. M|s. Jessops should also have agreed

to the dates of deliveries of EMU coaches keeping in view its capacity. The economic aspect of this delay has been quantified by the Department of Railways at Rs. 203 lakhs by way of cost escalation payments besides untold hardships to the commuters. Various phases in the project should be thoroughly worked out initially to avoid delays and postponements. Had this been done, such huge escalation amounting to Rs. 203 lakhs could have been avoided and miseries to commuters, escalation of cost, prolongation of time could have been avoided. Each Department should discharge its specific part without passing it to others and should not take shelter in shifting the delay to other party. In this particular case, Railways can not be exonerated of responsibility and Jessops have also not fulfilled their role effectively. It is necessary that the Department of Railways define their planning and implementation procedure appropriately and tone up its implementation to avoid such delays.

7 1.25 Deptt. of
Railways

From the reply furnished by the Ministry of Transport, the Committee find that Phase I viz., IA and IB of the work for setting up repair/maintenance facilities at Kalwa Car shed for day to day repairs has already been completed at a cost of Rs. 884.74 lakhs and that the estimates for Phase IC of the remaining work amounting to Rs. 257.46 lakhs were under processing in Railway Board's office. The Committee are concerned to note that the necessary funds for the work have not yet been made available. Further it would take about two years to complete the work after sanctioning of the estimates. The Committee would like to point out that repairs and periodical overhaul facilities are the most essential part of any organisation]

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industry to keep its assets in good working condition. Providing such facilities expeditiously assumes much more importance when BMUs are in short supply and the existing stock has to be intensively used. As part completion of the scheme would not be fully helpful|fruitful, the Committee desire that the funds for completion of the project so as to provide complete facilities as planned, should be provided without any further delay.