

**HUNDRED AND THIRTY-SIXTH  
REPORT**

**PUBLIC ACCOUNTS COMMITTEE  
(1982-83)**

(SEVENTH LOK SABHA)

**REMODELLING OF MUGHALSARAI  
MARSHALLING YARD**

**MINISTRY OF RAILWAYS  
(Railway Board)**

[Action Taken on 73rd Report (Seventh Lok Sabha)]



सत्यमेव जयते

Presented in Lok Sabha on  
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19 2 APR 1983

**LOK SABHA SECRETARIAT  
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Corrigenda to 136th Report of Public  
Accounts Committee (Seventh Lok Sabha)

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**PUBLIC ACCOUNTS COMMITTEE**  
(1982-83)

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Shri Satish Agarwal

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1. Shri T. R. Krishnamachari—*Joint Secretary.*
2. Shri K. C. Rastogi—*Chief Financial Committee Officer.*
3. Shri Ram Kishore—*Senior Financial Committee Officer.*

## INTRODUCTION

I, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this 136th Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 73rd Report (Seventh Lok Sabha) relating to the remodelling of Mughalsarai Marshalling Yard.

2. In para 59 of the 73rd Report, the Public Accounts Committee had pointed out that the project for remodelling the Mughalsarai Down Yard, sanctioned in December, 1971, was targeted for completion within 3 years *i.e.* by December, 1974. However, the work was completed and the Yard brought into operation as late as May, 1981, *i.e.* after a delay of nearly 7 years. As a result, the cost of the project escalated from Rs. 2.84 crores to Rs. 4.79 crores by February, 1980. The Committee are not convinced with the plea of the Ministry that the work of Mughalsarai Yard being of a sophisticated nature had to be carefully planned and executed and the work was carried out systematically and in a planned manner without interruption to traffic. The Committee consider that had the planning in this regard been done as carefully as claimed, the inordinate delay in its completion could have been very much minimised if not altogether obviated. The Committee consider that in the light of experience in this case the Ministry of Railways would do well to streamline not only the process of planning both at the macro and micro levels but also tighten up the monitoring mechanism by employing modern techniques of project management so as to ensure that such costly delays are obviated.

3. Referring to the inordinate delays in completion of major projects undertaken by the Railways and the consequent heavy escalation in costs, the Committee have pointed out that it is the duty of the Ministry of Railways to fix their priorities in consultation with the Planning Commission and ensure that works are taken up only in that order. The Committee have urged the Railways to take a policy decision to start only such projects which can be completed within the available funds, and to ensure that the target dates of projects are fixed realistically and that once fixed these are strictly adhered to.

4. The Committee considered and adopted this Report at their sitting held on 18 March, 1983. Minutes of the sitting form Part II of the Report.

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

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

NEW DELHI;

March 23, 1983.

Chaitra 2, 1905 (S).

SATISH AGARWAL,

*Chairman*

*Public Accounts Committee.*



## CHAPTER I

### REPORT

1. This Report of the Committee deals with action taken by Government on the Committee's recommendations and observations contained in their 73rd Report (7th Lok Sabha) on Paragraph 18 of the Report of the Comptroller and Auditor General of India for the year 1979-80, Union Government (Railways) regarding Re-modelling of Mughalsarai Marshalling Yard.

2. The 73rd Report which was presented to Lok Sabha on 19 February, 1982 contained 6 recommendations|observations. Action notes have been received in respect of all the recommendations/observations and these have been broadly categorized as follows:—

- (i) Recommendations or observations that have been accepted by Government:  
Serial Nos. 2, 3, 5 and 6
- (ii) Recommendations or observations which the Committee do not desire to be pursued in the light of the replies received from Government:  
Serial No. 4
- (iii) Recommendations or observations replies to which have not been accepted by the Committee and which require reiteration:  
Serial No. 1
- (iv) Recommendations or observations in respect of which Government have furnished interim replies:  
Nil.

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

*Inordinate delay in the re-modelling of Mughalsarai Marshalling Yard  
(Serial No. 1, Para 59)*

4. Referring to the inordinate delay in the remodelling of the Mughalsarai Marshalling Yard, the Committee had in Para 59 of the 73rd Report observed as under:—

“A decision to remodel Mughalsarai Down Yard was taken to avoid bunching in the receipt of goods trains and hold ups

both at Mughalsarai and short of it due to the limited rate of humping and line capacity in the reception lines in the Yard. A work Study Team had estimated in 1969 an annual growth rate of 5 per cent in the goods traffic through the Down Yard. The work was sanctioned by the Ministry of Railways in December 1971 at an estimated cost of Rs. 2.84 crores and was to be completed by December 1974. However, the remodelling of the Mughalsarai Yard was completed only in May 1981 after a delay of more than 7 years and the cost of the work had already escalated to Rs. 4.79 crores by February, 1980. The delay in the completion of work is stated to be due mainly to delay in acquisition of land and issue of import licence for equipment. The Committee fail to understand why after having taken a decision to execute the project and fixing a target date, expeditious action was not taken for land acquisition and issue of import licence, and even after the acquisition of land and issue of import licence, the work was allowed to proceed in a leisurely fashion. The Committee cannot but reach at the conclusion that this is clearly indicative of absence of proper monitoring and defective planning on the part of the Ministry of Railways. The Committee would like to express their deep concern at this state of affairs."

5. The Ministry of Railways (Railway Board) have in their action taken note dated 6 January, 1983 stated as follows:—

"The estimate for the mechanisation of Mughalsarai Yard was sanctioned by Board in December, 1971. The Eastern Railway however, had started processing acquisition of land required in Mughalsarai Yard from July, 1971 itself. The total land to be acquired in Mughalsarai Yard was 43.25 crores. The acquisition papers were submitted to the UP Government on 5-7-71. The UP Government published necessary notification under Section 4 & 6 of the Land Acquisition Act in March and September, 1972, respectively and handed over possession of 34.07 acres of homestead land on 5-7-73, to the Eastern Railway. The balance 9.14 acres of land, which was formed of a number of isolated patches was not acquired under the Land Acquisition Act as it belonged to the State Government. The ER\* was advised in November, 1971 to submit fresh proposals for transfer of the said land. Accordingly fresh proposals were submitted by the ER to the UP Government in April, 1972, after necessary

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\*Eastern Railway.

verification of the plans. Incidentally, these plots of land, totalling 9.14 acres were on lease with the Gram Sewak Samaj and were under cultivation. As the compensation demanded for the Government land was exorbitant, and also included in extra cost of 60 times the annual rent of the plots, the matter was taken up by the \*ER with the Secretary, Board of Revenue, Lucknow Distt. Magistrate, and the Land Acquisition Officer, Varanasi. After several meetings, personal contacts and discussions, the UP Govt. agreed to reduce the cost of the land for transfer by Rs. 36,560. It was only after the settlement of the cost of land was made that the land was handed over to the \*ER on 25-7-75. It would thus be observed that prompt action was taken by the \*ER to take possession of the land and major portion of the land which comprised of homestead land was taken over in about 1½ years after the sanction of the project. It was only on account of excessive charges which were proposed to be imposed by the UP Government for transfer of Government land that it took time to resolve the disputes and take possession of the entire land. There was no failure in pursuing the matter on the part of the Railway.

There has also been no delay in processing the issue of import licence. Although the DGTD's clearance for import of equipment had been applied for in September, 1974 and the import licence applications submitted in January 75, it was reported by the Principals of M/s. WSF that certain materials were not available in UK and the applications had to be resubmitted. In the process the question of indigenisation of various items was also examined and the import content reduced considerably thereby saving valuable foreign exchange. It was only on account of these unavoidable circumstances that the import of the equipment was finally completed in September, 1977.

As to the observation that even after acquisition of land and issue of import licence the work was allowed to proceed in a leisurely fashion, it is submitted that the remodelling of an important and busy yard like Muehalsarai has to be carried out under traffic and in phases which were as under:—

- (i) Phase I: Goods Shed Lines, SQT yard including new engine line, Grid Yard, Goods Shed & 'T' shed buildings etc.
- (ii) Phase II: New Sick yard and other allied facilities.
- (iii) Down classification Yard.

The work in phase—I did not involve any land acquisition and as such, the facilities in this phase were completed by 1973-74.

The work in phase II could be carried out only after the 43.25 acres of land was acquired so that the down sick lines could be shifted to the new land. The work in connection with the shifting of the sick lines and other allied facilities were completed as soon as possession of the entire land was taken over and the works were completed during the period November, 76 to April, 77.

The work on the classification lines was taken up thereafter as soon as the imported equipment was received. This work had to be done in several stages along with the sophisticated signalling works involved, avoiding interruption to the traffic. The entire operation of mechanisation work was started from 1978 onwards and the machanised yard with 30 classification lines in four groups was brought into use by October, 1981.

It will thus be observed that the work of Mughalsarai yard being of a sophisticated nature had to be carefully planned and executed and the work was carried out systematically and in a planned manner without interruption to traffic. The time taken in this case cannot be described as excessive, nor was the work carried out in a leisurely fashion.

The works of such magnitude as mechanisation and remodelling of Mughalsarai yard have to be planned to the last detail. Their progress is watched and monitored at the level of CE (Con) personally. The HQs of the Railways obtain regular reports from the field units. The Head Quarters in turn, submit regular reports to the Railway Board for all works costing more than Rs. 50 lakhs. Specific difficulties and achievements are highlighted by the Railway while submitting their progress reports which are taken note of by the work Directorate of the Ministry, which is specifically entrusted with this job. Remedial action is taken, wherever necessary."

**6. In para 59 of the 73rd Report, the Public Accounts Committee had pointed out that the project for re-modelling the Mughalsarai Down Yard, sanctioned in December, 1971, was targeted for completion within 3 years i.e. by December, 1974. However, the work was completed and the Yard brought into operation as late as May, 1981, i.e. after a delay of nearly 7 years. As a result, the cost of the project escalated from Rs. 2.84 crores to Rs. 4.79 crores by February, 1980.**

**7. The extraordinary delay has been attributed by the Ministry partly due to delay in acquiring the land from the State Government and partly due to delay in receipt of the imported equipment. It is seen from the Ministry's reply that while the entire land was handed over to the**

Eastern Railway in July, 1975, the import of the equipment was finally completed in September, 1977. It took another 4 years for the Railway authorities to complete the work of re-modelling of the Yard. The Committee are not convinced with the plea of the Ministry that the work of Mughalsarai Yard being of a sophisticated nature had to be carefully planned and executed and the work was carried out systematically and in a planned manner without interruption to traffic. The Committee consider that had the planning in this regard been done as carefully as claimed and the work executed accordingly, the inordinate delay in its completion could have been very much minimized, if not altogether obviated. The Committee would therefore reiterate their earlier observations that the undue delay in commissioning the project is indicative of absence of proper monitoring and defective planning on the part of the Ministry of Railways. The Committee consider that in the light of experience in this case the Ministry of Railways would do well to streamline not only the process of planning both at the macro and the micro levels but also tighten up the monitoring mechanism by employing modern techniques of project management so as to ensure that such costly delays are obviated.

*Delays in completion of major projects  
(Serial No. 2, Para 60).*

8. Referring to the considerable delay and heavy cost escalation in the case of most of the major projects undertaken by the Railways, the Committee had in Para 60 of their 73rd Report observed as follows:—

“From the statement furnished by the Ministry of Railways relating to the major projects undertaken by the Railways, the Committee note that most of these projects have been considerably delayed and there has been heavy escalation in costs. The Committee have also noted that most of these projects have been delayed because of non-availability of funds. To a query from the Committee whether it would not be desirable to start work on a limited number of projects in view of limitation of funds rather than starting work on a large number of projects and keeping them starved of funds, Chairman, Railway Board admitted during evidence that “There is absolutely no disputing the prime and fundamental wisdom you have spoken about.” The Committee fail to appreciate why work on a large number of projects is taken in hand when the Railways are well aware that it would not be possible to complete the same within the target date to inadequacy of funds. The result is that not only the work remains incomplete but the delay in completion of work also leads to escalation in costs. Moreover, this also re-

sults in frustration among the public likely to benefit from these projects. The Committee feel that it is high time when Railways should examine the matter in depth and take a policy decision to start only such projects which can be completed within the available funds so that at least the benefit of these projects could reach the public at the earliest. The Committee further recommend that the target dates of the projects should be fixed realistically after taking all the relevant factors into consideration and these target dates once fixed should be strictly adhered to."

9. The Ministry of Railways (Railway Board) in their action taken note dated 6 January, 1983 stated as follows:—

"This recommendation makes the following main points:

- (i) Only such projects should be started, which could be completed within the available funds, so that at least the benefits of these projects could reach the public at the earliest.
- (ii) The target dates of the projects should be fixed realistically taking all the factors into account.

The railway projects are formulated either for easing the bottle-neck areas or to enable the railways to augment their transport capacity to meet the rail transport demand as per outlays made by the Planning Commission. Some projects are also taken in hand to meet the public aspirations, which do not necessarily add to the transport capacity nor are they justified on entirely economic considerations. When funds are allotted by the Planning Commission specific schemes are not delineated. From year to year projects are added quite unrelated to the total outlay under the respective plan head particularly "New Lines" and "Gauge Conversions". Thus, the number of such projects on hand and the requirements of funds therefor always outstrip the monetary outlay. As a natural consequence, therefore, in spite of conscious efforts it is not always possible to formulate the projects according to availability of funds. As the number of projects increase without corresponding increase in outlay, the target dates for the projects go on extending, as the limited sum goes on spreading over a larger and yet larger number of projects. Subject to these constraints, all efforts are however, made to ensure that the total funds allotted are spent over the various projects in a manner so as to derive maxi-

imum benefit from the completed project. Comparatively more funds are allotted to the on-going works nearing completion or on such works which are more important from the angle of rail transport requirements or maintenance requirements. This does result in some less important projects having to wait for a long time. But this does not necessarily result in wastage of funds.

During the past decade, however, there has been a steep escalation in the prices of both labour and materials, which have gone up several fold. This has resulted in increase in the cost of Works/Projects. In view of the severe constraint of funds, the annual outlays for the various ongoing projects has not been able to keep pace with the requirements of funds to complete projects according to targets and/or a predetermined time schedule. In majority of cases, therefore, works could not be progressed with the desired speed due to inadequate availability of funds.

The recommendations of the Committee have, however, been noted for compliance. A conscious effort is being made in consultation with the Planning Commission to identify important schemes which should be given preference in the matter of allocation of funds. This will result in speedier implementation of the important schemes. An all out effort is made so that the target dates fixed for their completion will be adhered to. But the real solution lies in the Planning Commission's specifying the projects in the Plan itself just as they indicate the number of Locos, Coaches, Wagons and EMU's and allocating funds accordingly. If any new project is added during the currency of the plan, e.g., Bhuj-Nalia, Kalka-Parwanoo, Alleppey-Kayam Kulam New line or conversion of Suratgarh-Sarupsar-Anupgarh or Suratgarh-Bikaner M.G. line into B.G., the same may be approved with corresponding addition to the Plan Outlay under the respective head."

10. The Public Accounts Committee in Para 60 of their 73rd Report had referred to the inordinate delays in completion of major projects undertaken by the Railways and the consequent heavy escalation in costs. The Committee had emphasized the need for taking a policy decision with regard to the starting of only such projects as could be completed within the available funds so that the benefit of these projects could reach the public at the earliest. The Committee note the Ministry's claim that the Railway projects are formulated either for easing the

bottleneck areas or to enable the Railways to augment their transport capacity to meet the rail transport demand as per outlays approved by the Planning Commission. The Ministry have, however, admitted that some projects are also taken in hand to meet the public aspirations which do not necessarily add to the transport capacity nor are they justified on entirely economic considerations. The Ministry have also pointed out that when funds are allotted by the Planning Commission specific schemes are not delineated. From year to year projects are added quite unrelated to the total outlay under the respective Plan Head particularly 'New lines' and 'gauge conversions'. Thus, the number of such projects on hand and the requirement of funds therefor always outstrip the monetary outlay. As the number of projects increase without corresponding increase in outlay, the target dates for the projects go on extending, as the limited sum goes on spreading over a larger and yet larger number of projects.

11. The Committee cannot view this situation with equanimity for this makes a mockery of all planning. While it is desirable and even necessary to prepare a shelf of projects, the Committee cannot countenance the idea of starting too many projects and spreading the limited resources too thinly. This not only escalates the costs all round but also causes frustration among the public. The Committee agree with the Ministry's contention that the real solution lies in the Planning Commission specifying the projects in the Plan itself, just as they indicate the number of locos, coaches, wagons and EMUs and allocating funds accordingly. The Committee, however, consider that it is also the duty of the Ministry of Railways to fix their priorities in consultation with the Planning Commission and ensure that works are taken up only in that order. The Committee are therefore strongly of the view that the lacuna in the planning process must be remedied without delay so as to ensure that scarce resources are not frittered away on schemes which are either not justified from the financial angle or which can afford to wait for better times. The Committee would therefore reiterate the recommendations made by them in the earlier Report to the effect that it is high time for the Railways to examine the matter in depth and take a policy decision to start only such projects which can be completed within the available funds, and that the target dates of projects should be fixed realistically and that once fixed these should be strictly adhered to.

#### *Cost Benefit Study*

(S. No. 5, Para 63)

12. Emphasizing the need for undertaking a cost benefit study of the investments made in re-modelling the Mughalsarai Down Yard, the Com-



mittee had in Paragraph 63 of the 73rd Report recommended as follows:

“During evidence before the Committee, the Chairman, Railway Board stated that the remodelling of Mughalsarai Yard was justified as 85 per cent of the money has been spent on mechanisation which is essential to maintain the health of the wagon fleet and that in manual marshalling of wagons, the wagons keep on banging against each other resulting in damage to them. As the cost of wagons had increased to about Rs. 1 lakh at present and the Railways were designing wagons which would cost more than Rs. 3½ lakhs, the emphasis was to be given on protection of wagons. While the Committee appreciate the need for introduction of mechanisation and use of modern techniques in the marshalling yards, they cannot ignore the fact that the assumption of likely annual growth of traffic had not been realised. Therefore, to justify the expenditure incurred on the basis of health of wagons alone appears to the Committee to be only an after-thought. The Committee would like to emphasise that even mechanisation should be undertaken on the basis of a cost benefit study in respect of each yard so as to ensure that the investment in mechanisation is commensurate with the anticipated growth in traffic and likely savings both in regard to health of wagons as also deployment of manpower. In the case of remodelling of Mughalsarai yard no such cost benefit study seems to have been done and therefore it is not possible to precisely estimate the benefit accruing to the Railways. The Committee therefore, recommend that the Ministry of Railways should identify the details of the cost of mechanisation stated to be working upto 85 per cent of the cost of this project and undertake a cost benefit study in this particular Down Yard. They should also undertake a cost benefit study in regard to the need for mechanisation in all the major marshalling yards in the country and then undertake a phased programme of mechanisation of such of the yards which justify the same.”

13. In their action taken note dated 6 January, 1983 the Ministry of Railways (Railway Board) have stated:

“Investment decisions for remodelling and mechanisation of yards are taken after detailed investigations of the operating and financial implications. The PACs recommendation for undertaking future mechanisation of yards after their cost benefit studies is noted for compliance.

So far as Mughalsarai Yard is concerned the new mechanised Hump Yard has been commissioned recently in November,

1981. The details of the cost of mechanisation of this project are being worked out and the cost benefit study of this yard has been undertaken by the Eastern Railway administration, as recommended."

This has been seen by Audit who have made the following observations which have been noted.

"The Railway Board may, however, kindly fix a definite time schedule for completion of the cost study of this yard so that they could apprise the PAC the result thereof."

**14. The Committee are glad to find that the Ministry of Railways (Railways Board) have accepted the suggestion made by the Committee in Para 63 of the 73rd Report for undertaking a cost benefit study of the Mughalsarai Down Yard with a view to ascertaining how far the investment made therein has been justified. The Committee would like this study to be completed/expeditiously and a report submitted to them within six months.**

## CHAPTER II

### RECOMMENDATIONS OR OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

#### Recommendation

From the statement furnished by the Ministry of Railways relating to the major projects undertaken by the Railways, the Committee note that most of these projects have been considerably delayed and there has been heavy escalation in costs... The Committee have also noted that most of these projects have been delayed because of non-availability of funds. To a query from the Committee whether it would not be desirable to start work on a limited number of projects in view of limitation of funds rather than starting work on a large number of projects and keeping them starved of funds, Chairman, Railway Board admitted during evidence that "There is absolutely no disputing the prime and fundamental wisdom you have spoken about." The Committee fail to appreciate why work on a large number of projects is taken in hand when the Railways are well aware that it would not be possible to complete the same within the target date due to inadequacy of funds. The result is that not only the works remain incomplete but the delay in completion of work also leads to escalation in costs. Moreover, this also results in frustration among the public likely to benefit from these projects. The Committee feel that it is high time when Railways should examine the matter in depth and take a policy decision to start only such projects which can be completed within the available funds so that at least the benefit of these projects could reach the public at the earliest. The Committee further recommend that the target dates of the projects should be fixed realistically after taking all the relevant factors into consideration and these target dates once fixed should be strictly adhered to.

[S. No. 2 (Para 60) of Appendix III to 73rd Report of PAC  
(7th Lok Sabha)].

#### Action Taken

This recommendation makes the following main points:

- (i) Only such projects should be started, which could be completed within the available funds, so that at least the benefits of these projects could reach the public at the earliest.

- (ii) The target dates of the projects should be fixed realistically taking all the factors into account.

The railway projects are formulated either for easing the bottleneck areas or to enable the railways to augment their transport capacity to meet the rail transport demand as per outlays made by the Planning Commission. Some projects are also taken in hand to meet the public aspirations, which do not necessarily add to the transport capacity nor are they justified on entirely economic considerations. When funds are allotted by the Planning Commission specific schemes are not delineated. From year to year projects are added quite unrelated to the total outlay under the respective plan head particularly "New Lines" and "Gauge Conversions". Thus, the number of such projects on hand and the requirements of funds therefor always outstrip the monetary outlay. As a natural consequence, therefore, in spite of conscious efforts it is not always possible to formulate the projects according to availability of funds. As the number of projects increase without corresponding increase in outlay, the target dates for the projects go on extending, as the limited sum goes on spreading over a larger and yet larger number of projects. Subject to these constraints, all efforts are, however, made to ensure that the total funds allotted are spent over the various projects in a manner so as to derive maximum benefit from the completed project. Comparatively more funds are allotted to the on-going works nearing completion or on such works which are more important from the angle of rail transport requirements or maintenance requirements. This does result in some less important projects having to wait for a long time. But this does not necessarily result in wastage of funds.

During the past decade, however, there has been a steep escalation in the prices of both labour and materials, which have gone up several fold. This has resulted in increase in the cost of Works/Projects. In view of the severe constraint of funds, the annual outlays for the various ongoing Projects has not been able to keep pace with the requirements of funds to complete projects according to targets and/or a predetermined time schedule. In majority of cases, therefore, works could not be progressed with the desired speed due to inadequate availability of funds.

The recommendations of the Committee have, however, been noted for compliance. A conscious effort is being made in consultation with the Planning Commission to identify important schemes which should be given preference in the matter of allocation of funds. This will result in speedier implementation of the important schemes. An all out effort is made so that the target dates fixed for their completion will be adhered to. But the real solution lies in the Planning Commission's specifying the projects

in the Plan itself just as they indicate the number of Locomotives, Coaches, Wagons and EMU's and allocating funds accordingly. If any new project is added during the currency of the plan e.g., Bhuj-Nalia, Kalka-Parwanoo, Allepey-Kayamkulam New line or conversion of Suratgarh-Sarup-sar-Anupgarh or Suratgarh-Bikaner M.G. line into B.G., the same may be approved with corresponding addition to the Plan Outlay under the respective head.

[Ministry of Railways (Railway Board) O.M. No. 82-BC-PAC/VII/73  
dated 6-1-83]

### **Recommendation**

The Committee note that there have been heavy shortfalls in the supply of critical materials like cement and steel to Railways which has contributed to delays in the completion of the projects undertaken by Railways. The Committee regret that the position in regard to supply of cement has been deteriorating in each successive year as is evident from the fact that while upto 1977, all the requirements of the Railways were being met in full, the shortfall was to the tune of 3,16,144 metric tonnes in 1978; 5,22,448 metric tonnes in 1979; 9,29,339 metric tonnes in 1980; and 10,75,229 metric tonnes in 1981. This situation needs to be remedied as the Railways cannot be expected to complete the projects in time until and unless the necessary basic materials are made available to them. The Committee recommend that this matter should be examined expeditiously and arrangements made to ensure that once a project which is vital to economy of the country is taken up for execution, its progress should not be allowed to suffer because of shortage of basic materials like cement and steel.

[S. N. 3 (Para 61) of Appendix III to 73rd Report of PAC (7th Lok Sabha)]

### **Action Taken**

The availability of basic construction materials like cement and steel is not within the control of the Ministry of Railways. However, in view of the overall shortage of these basic construction materials, efforts are made to see that the priority projects receive their quota of the critical materials in preference to the other unimportant projects so that the adverse effect of the progress of construction projects is reduced to the maximum possible extent. Wherever necessary, the matter is taken up with the concerned Ministry for increasing the quota and supply of cement and steel to meet the emergent requirement for different projects/works.

[Ministry of Railways (Railway Board) O. M. No. 82-BC-PAC/VII/73.  
dated 6-1-83]

### Recommendation

During evidence before the Committee, the Chairman, Railway Board stated that the remodelling of Mughalsarai Yard was justified as 85 per cent of the money has been spent on mechanisation which is essential to maintain the health of the wagon fleet and that manual marshalling of wagons, the wagons keep on banging against each other resulting in damage to them. As the cost of wagons had increased to about Rs. 1 lakh at present and the Railways were designing wagons which would cost more than Rs. 3½ lakhs, the emphasis was to be given on protection of wagons. While the Committee appreciate the need for introduction of mechanisation and use of modern techniques in the marshalling yards, they cannot ignore the fact that the assumption of likely annual growth of traffic had not been realised. Therefore to justify the expenditure incurred on the basis of health of wagons alone appears to the Committee to be only an after-thought. The Committee would like to emphasise that even mechanisation should be undertaken on the basis of a cost benefit study in respect of each yard so as to ensure that the investment in mechanisation is commensurate with the anticipated growth in traffic and likely savings both in regard to health of wagons as also deployment of manpower. In the case of remodelling of Mughalsarai yard no such cost benefit study seems to have been done and therefore it is not possible to precisely estimate the benefit accruing to the Railways. The Committee, therefore, recommend that the Ministry of Railways should identify the details of the cost of mechanisation stated to be working upto 85 per cent of the cost of this project and undertake a cost benefit study in this particular Down Yard. They should also undertake a cost benefit study in regard to the need for mechanisation in all the major marshalling yards in the country and then undertake a phased programme of mechanisation of such of the yards which justify the same.

[S. No. 5 (Para-63) of Appendix III to 73rd Report of PAC (7th Lok Sabha)].

### Action Taken

Investment decisions for remodelling and mechanisation of yards are taken after detailed investigations of the operating and financial implications. The PAC's recommendation for undertaking future mechanisation of yards after their cost benefit studies is noted for compliance.

So far as Mughalsarai Yard is concerned the new mechanised Hump Yard has been commissioned recently in November, 1981. The details of the cost of mechanisation of this project are being worked out and the cost benefit study of this yard has been undertaken by the Eastern Railway administration, as recommended.

This has been seen by Audit who have made the following observations which have been noted.

"The Railway Board may, however, kindly fix a definite time schedule for completion of the cost study of this yard so that they could apprise the PAC the result thereof."

[Ministry of Railways (Railway Board) O.M. No. 82-BC-PAC/VII 73  
dated 6-1-83]

### Recommendation

The Ministry of Railways (Railway Board) have stated that the increased facilities in the Down Yard and measures such as end to end running of trains, etc., would help increase the capacity of the Down Central Yard and reduce detention to through wagons and through goods trains. The Committee recommend that since the interchange traffic via Mughalsarai is mainly to through trains, the improvement in wagon detention resulting from this investment in respect of such traffic for two years should be watched and reported to the Committee.

[S. No. 6 (Para-64) of Appendix III to 73rd Report of PAC,  
(7th Lok Sabha)].

### Action Taken

There is an appreciable reduction in detention of through wagons and through goods trains at Mughalsarai. Through trains at Mughalsarai can be broadly classified under two categories viz., those requiring change of motive power and other which run through with same power. The following figures would indicate the performance.

(a) Down through trains not requiring any change of power.

(Turn-round from Jeonathpur to Ganj Khwaja i.e. between block stations on either side of Mughalsarai).

	1980-81	1981-82	1982-83 (April-June)
Average No. of train per day	9	10.7	13.8
Average time taken	3 hrs 08 Mts	2 hrs 28 Mts	1 hrs 43 Mts

(b) Time taken by through trains received in Central Yard requiring change of motive power.

	1980-81	1981-82	1982-83 (April-June)
Average No. of train per day . . . . .	12.3	10	8.9
Average time taken . . . . .	3 hrs 11 Mts	2 hrs 38 Mts	2 hrs 06 Mts.

The detention of trains outside signal at Mughalsarai has also been significantly reduced as would be evident from the following:—

	1980-81		1981-82		1982-83 (April-June)	
	Daily Av. No. of trains held up	Av. detn.	Daily Av. No. of trains held up	Av. detn.	Daily Av. No. of trains held up	Av. detn.
Allahabad . . . . .	7.4	1'29"	1.2	0'41"	0.6	32"
Lucknow . . . . .	5.1	1'34"	1.3	0'56"	0.8	1 hour

Average detention to through wagons in Mughalsarai yard has also come down as would be evident from the following:—

	1980-81	1981-82	1982-83 (April-June)
Loaded . . . . .	60.1	55.7	52.5
Empties . . . . .	49.2	46.1	41.1

This has been seen by Audit who have stated that the data is under verification and a further communication would follow if any change is found in the figures.

[Ministry of Railways (Railway Board) .M. No. 82-BC-PAC/VII/73 dated 6-1-83].



## CHAPTER III

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

#### Recommendation

The remodelling of Mughalsarai Down Yard was sanctioned in 1971 on the assumption of likely annual growth of 5 per cent in the goods traffic in the yard. However, as admitted by the Chairman, Railway Board, the traffic projections have not come true. Moreover the daily number of wagons interchanged at the yard in 1973 and 1974 had actually shown a decline as compared to 1969 and the number of wagons dealt within the Down Marshalling Yard even at the maximum level of 1977 viz., 1963, was well below the capacity of the manually operated hump viz., 2600. The Committee feel that when the work on the project was started only in 1974, the need to remodel the yard should have been re-examined in view of the changing pattern of traffic and non-materialisation of increase in traffic as anticipated. The Committee find that while on the basis of 5 per cent growth in traffic, the daily average number of wagons interchanged in the yard was expected to be 4793 wagons in 1976 the actual daily number of wagons interchanged was 2,590.2 wagons per day in 1973, 2979 per day in 1976 and the same came down to 2594.1 wagons per day in 1980. Further the changing pattern of traffic needed provision of facilities for additional through capacity in the Central Yard. The Committee cannot but conclude that in view of this declining trend of traffic, the investment on the remodelling of Mughalsarai Down Yard was not justified. The Committee are distressed to note that facilities for faster movement of through passing loads in supplementary Down Central Yard are yet to be developed.

[S. No. 4 (Para-62) of Appendix III to 73rd Report of PAC,  
(7th Lok Sabha)].

#### Action Taken

The following points have been made in this recommendation:

- i) Due to changing pattern and non-materialisation of the anticipated increase of traffic the need to remodel the yard should have been re-examined.

- (ii) The changing pattern of traffic needed provision of additional facilities in the Central Yard for through trains. This has not been done.

So far as item (i) is concerned, it is submitted that the change in pattern of traffic through Mughalsarai and the non-materialisation of the anticipated traffic were noted while the work was in progress. The matter was debated at length and it was decided to proceed with the re-modelling of the yard in view inter-alia of:

- a) the need to mechanise the yard in order to obtain the benefits of modern techniques of marshalling;
- b) the need to introduce more classifications in Mughalsarai Yard.
- c) possible increase in traffic in future.

So far as item (ii) is concerned it may be stated that although no additional facilities were physically provided in the Down Central Yard at Mughalsarai, the facilities available there after remodelling of Down marshalling yard are adequate for the present level of traffic. The movement of increased number of through trains with less detentions has now been facilitated by taking the Down terminating trains to the remodelled Down Yard without detaining the same for long periods in the Down Central Yard due to the additional facilities now available in the Down Yard. In view of the above there are no plans for providing additional facilities in Down Yard for Down through trains.

A bye-pass connecting Jeonathpur and Vyasnagar has been planned. This will have the effect of passing trains through between Allahabad and Lucknow routes of Northern Railway without going into Mughalsarai Down Central Yard. Though this work had been justified in 1979 only on the basis of savings in detention to locomotives and wagons and has not been conceived for providing additional facilities in the Down through yard, this will have the effect of enhancing the availability of lines in Down Central yard for through trains.

With the facilities now provided it has been possible for the Down Central Yard to deal with more through trains with less detentions as indicated below:—

*Time taken by Down through trains not requiring any change of power from Jeonathpur to Ganjikhwaja:*

Description	1980-81	1982-83 (April to June)
Average number of trains per day . . . . .	9	13.8
Average time taken . . . . .	3 hrs. 8 Mnts.	1 hr. 43 Mnts.

*Time taken by through trains requiring change of power :*

Average number of trains . . . . .	12.3	8.9
Average time taken . . . . .	3 hrs. 11 Mts.	2 hrs. 6 Mnts.

(Ministry of Railways (Railway Board) O.M. No. 82-BC-PAC/VII/73, dated 28-2-83)

## CHAPTER IV

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

#### Recommendation

59. A decision to remodel Mughalsarai Down Yard was taken to avoid bunching in the receipt of goods trains and hold up both at Mughalsarai and short of it due to the limited rate of humping and line capacity in the reception lines in the Yard. A work Study Team had estimated in 1969 an annual growth rate of 50 per cent in the goods traffic through the Down Yard. The work was sanctioned by the Ministry of Railways in December 1971 at an estimated cost of Rs. 2.84 crores and was to be completed by December, 1974. However, the remodelling of the Mughalsarai Yard was completed only in May 1981 after a delay of more than 7 years and the cost of the work had already escalated to Rs. 4.79 crores by February, 1980. The delay in the completion of work is stated to be due mainly to delay in acquisition of land and issue of import licence for equipment. The Committee fail to understand why after having taken a decision to execute the project and fixing a target date, expeditious action was not taken for land acquisition and issue of import licence, and even after the acquisition of land and issue of import licence, the work was allowed to proceed in a leisurely fashion. The Committee cannot but reach at the conclusion that this is clearly indicative of absence of proper monitoring and defective planning on that part of Ministry of Railways. The Committee would like to express their deep concern at this state of affairs.

[S. No. 1 (Para 59) of Appendix III to 73rd Report of PAC  
(7th Lok Sabha)]

#### Action Taken

The estimate for the mechanisation of Mughalsarai Yard was sanctioned by Board in December, 1971. The Eastern Railway however, had started processing acquisition of land required in Mughalsarai Yard from July, 1971 itself. The total land to be acquired in Mughalsarai Yard was 43.25 acres. The acquisition papers were submitted to the U.P. Government on 5-7-71. The U.P. Government published necessary notification under Section 4 and 6 of the Land Acquisition Act in March and Septem-

ber 1972, respectively and handed over possession of 34.07 acres of homestead land on 5-7-73, to the Eastern Railway. The balance 9.14 acres of land, which was formed of a number of isolated patches was not acquired under the Land Acquisition Act as it belonged to the State Government. The \*ER was advised in November, 1971 to submit fresh proposals for transfer of the said land. Accordingly fresh proposals were submitted by the \*ER to the U.P. Government in April, 1972, after necessary verification of the plans. Incidentally, these plots of land, totalling 9.14 acres were on lease with the Gram Sewak Samaj and were under cultivation. As the compensation demanded for the Government land was exorbitant, and also included an extra cost of 60 times the annual rent of the plots, the matter was taken up by the \*ER with the Secretary, Board of Revenue, Lucknow Distt. Magistrate, and the Land Acquisition Officer, Varanasi. After several meetings, personal contacts and discussions, the U.P. Government agreed to reduce the cost of the land for transfer by Rs. 36,560. It was only after the settlement of the cost of land was made that the land was handed over to the \*ER on 25-7-75. It would thus be observed that prompt action was taken by the \*ER to take possession of the land and major portion of the land which comprised of homestead land was taken over in about 1½ years after the sanction of the project. It was only on account of excessive charges which were proposed to be imposed by the U.P. Government for transfer of Government land that it took time to resolve the dispute and take possession of the entire land. There was no failure in pursuing the matter on the part of the Railway.

There has also been no delay in processing the issue of import licence. Although the DGTD's clearance for import of equipment had been applied for in September, 1974 and the import licence applications submitted in January 75, it was reported by the Principals of M/s WSF that certain materials were not available in UK and the applications had to be resubmitted. In the process the question of indigenisation of various items was also examined and the import content reduced considerably thereby saving valuable foreign exchange. It was only on account of these unavoidable circumstances that the import of the equipment was finally completed in September, 1977.

As to the observation that even after acquisition of land and issue of import licence the work was allowed to proceed in a leisurely fashion, it is submitted that the yard remodelling of an important and busy yard like Mughalsarai has to be carried out under traffic and in phases which were as under:—

- (i) *Phase I*: Goods Shed Lines, SQT yard including new engine line, Grid Yard, Goods Shed and 'T' shed buildings etc.
- (ii) *Phase II*: New Sick Yard and other allied facilities.
- (iii) Down classification Yard.

The work in phase-I did not involve any land acquisition and as such, the facilities in this phase were completed by 1973-74. The work in phase II could be carried out only after the 43.25 acres of land was acquired so that the down sick lines could be shifted to the new land. The work in connection with the shifting of the sick lines and other allied facilities were completed as soon as possession of the entire land was taken over and the work were completed during the period November 76 to April, 77.

The work on the classification lines was taken up thereafter as soon as the imported equipment was received. This work had to be done in several stages along with the sophisticated signalling works involved, avoiding interruption to the traffic. The entire operation of mechanisation work was started from 1978 onwards and the mechanised yard with 30 classification lines in four groups was brought into use by October, 1981.

It will thus be observed that the work of Mughalsarai yard being of a sophisticated nature had to be carefully planned and executed and the work was carried out systematically and in a planned manner without interruption to traffic. The time taken in this case cannot be described as excessive, nor was the work carried out in a leisurely fashion.

The Works of such magnitude as mechanisation and remodelling of Mughalsarai yard have to be planned to the last detail. Their progress is watched and monitored at the level of CE (Con) personally. The HQs of the Railways obtain regular reports from the field units. The Head Quarters in turn, submit regular reports to the Railway Board for all works costing more than Rs. 50 lakhs. Specific difficulties and achievements are highlighted by the Railway while submitting their progress reports which are taken note of by the works Directorate of the Ministry, which is specifically entrusted with this job. Remedial action is taken, wherever necessary.

[Ministry of Railways (Railway Board) O.M. No. 82-BS-PAC/VII/73  
dated 6-1-83].

**CHAPTER V**

**RECOMMENDATIONS OR OBSERVATIONS IN RESPECT OF  
WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES**

**—NIL—**

## APPENDIX

### Statement of Recommendations and Reservations

Sl. No.	Para No.	Ministry/Department concerned	Recommendations/Observations
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1	6	Railways	<p>In para 59 of the 73rd Report, the Public Accounts Committee had pointed out that the project for re-modelling the Mughalsarai Down Yard, sanctioned in December, 1971, was targeted for completion within 3 years <i>i.e.</i> by December, 1974. However, the work was completed and the Yard brought into operation as late as May, 1981, <i>i.e.</i> after a delay of nearly 7 years. As a result, the cost of the project escalated from Rs. 2.84 crores to Rs. 4.79 crores by February, 1980.</p> <p>The extraordinary delay has been attributed by the Ministry partly due to delay in acquiring the land from the State Government and partly due to delay in receipt of the imported equipment. It is seen from the Ministry's reply that while the entire land was handed over to the Eastern Railway in July, 1975, the import of the equipment was finally completed in September, 1977. It took another 4 years for the Railway authorities to complete the work of re-modelling of the Yard. The Committee are not convinced with the plea of the Ministry that the work of Mughalsarai Yard</p>
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being of a sophisticated nature had to be carefully planned and executed and the work was carried out systematically and in a planned manner without interruption to traffic. The Committee consider that had the planning in this regard been done as carefully as claimed and the work executed accordingly, the inordinate delay in its completion could have been very much minimized, if not, altogether obviated. The Committee would therefore reiterate their earlier observations that the undue delay in commissioning the project is indicative of absence of proper monitoring and defective planning on the part of the Ministry of Railways. The Committee consider that in the light of experience in this case the Ministry of Railways would do well to streamline not only the process of planning both at the macro and the micro levels but also tighten up the monitoring mechanism by employing modern techniques of project management so as to ensure that such costly delays are obviated.

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The Public Accounts Committee in Para 60 of their 73rd Report had referred to the inordinate delays in completion of major projects undertaken by the Railways and the consequent heavy escalation in costs. The Committee had emphasized the need for taking a policy decision with regard to the starting of only such projects as could be completed within the available funds so that the benefit of these projects could reach the public at the earliest. The Committee note the Ministry's claim that the Railway projects are formulated either for easing the bottleneck areas or to enable the Railway to augment their transport capacity to meet the rail transport demand as per outlays approved by the Planning Commission. The Ministry have, however, admitted that some projects are also taken in hand to meet the pub-



fore strongly of the view that this lacuna in the planning process must be remedied without delay so as to ensure that scarce resources are not frittered away on schemes which are either not justified from the financial angle or which can afford to wait for better times. The Committee would therefore reiterate the recommendations made by them in the earlier Report to the effect that it is high time for the Railways to examine the matter in depth and take a policy decision to start only such projects which can be completed within the available funds, and that the target dates of projects should be fixed realistically and that once fixed these should be strictly adhered to.

#### Railways

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The Committee are glad to find that the Ministry of Railways (Railway Board) have accepted the suggestion made by the Committee in Para 63 of the 73rd Report for undertaking a cost benefit study of the Mughalsarai Down Yard with a view to ascertaining how far the investment made therein has been justified. The Committee would like this study to be completed expeditiously and a report submitted to them within six months.

## PART II

### MINUTES OF THE SIXTY-SEVENTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 18 MARCH, 1983

The Committee sat from 1700 hrs. to 1730 hrs.

#### PRESENT

Shri Satish Agarwal—*Chairman*

#### MEMBERS

#### LOK SABHA

2. Shri Chitta Basu
3. Shri Bhiku Ram Jain
4. Shri K. Lakkappa
5. Shri Uttam Rathod

#### RAIYA SABHA

6. Shri B. Satyanarayan Reddy
7. Shri Nirmal Chatterjee

#### REPRESENTATIVE OF AUDIT

Shri G. N. Pathak—*Director of Audit (Defence Services)*

#### SECRETARIAT

1. Shri T. R. Krishnamachari—*Joint Secretary*
2. Shri K. C. Rastogi—*Chief Financial Committee Officer*
3. Shri Ram Kishore—*Senior Financial Committee Officer.*

The Committee took up for consideration and adopted the following draft Reports:

- \* \* \*
- (iv) Draft Report on action taken on 73rd Report of P.A.C. (7th Lok Sabha) on Mughalsarai Marshalling Yard.
- \* \* \*

The Committee also authorised the Chairman to incorporate the amendments/modifications arising out of factual verification of the draft Reports by Audit.

*The Committee then adjourned.*

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*N.B.* Asterisks denote other business transacted by the Committee. Minutes relating thereto will form part of the relevant Report.

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Published under Rule 302 of the Rules of Procedure and Conduct of Business in Lok Sabha (Sixth Edition) and printed by the General Manager, Government of India Press, Minto Road, New Delhi