

PUBLIC ACCOUNTS COMMITTEE
(1973-74)

(FIFTH LOK SABHA)

HUNDRED AND SIXTH REPORT

[Action Taken by Government on the recommendations of the Public Accounts Committee contained in their 79th Report (Fifth Lok Sabha) on Paragraphs relating to Railway operation, Expenditure etc. included in the Report of the Comptroller and Auditor General of India for the year 1970-71—Union Government (Railways)].



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PUBLIC ACCOUNTS COMMITTEE

(1973-74)

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Shri M. S. Sundaresan—*Deputy Secretary.*

Shri T. R. Krishnamachari—*Under Secretary.*

*Elected on 29-11-73 vice Shri D. S. Afzalpurkar died.

INTRODUCTION

1, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Hundred and Sixth Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 79th Report (Fifth Lok Sabha) relating to Ministry of Railways.

2. On the 26th May, 1973 an 'Action Taken' Sub-Committee was appointed to scrutinise the replies from Government in pursuance of the recommendations made by the Committee in their earlier Reports. The Sub-Committee was constituted with the following Members:—

Shri H. N. Mukerjee—*Convener*

- | | |
|------------------------------|------------------|
| 2. Shri Sunder Lal | } <i>Members</i> |
| 3. Shri Biswanarayan Shastri | |
| 4. Shri M. Anandam | |
| 5. Shri Nawal Kishore | |
| 6. Shri H. M. Patel | |

3. The Action Taken Sub-Committee of the Public Accounts Committee (1973-74) considered and adopted this Report at their sitting held on the 7th January, 1974. The Report was finally adopted by the Public Accounts Committee on the 31st January, 1974.

4. For facility of reference the main conclusions/recommendations of the Committee have been printed in thick type in the body of the Report. A statement showing the summary of the main conclusions|observations of the Committee is appended to the Report (Appendix).

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

NEW DELHI;

February 4, 1974

Magha 15, 1895 (S)

JYOTIRMOY BOSU
Chairman,
Public Accounts Committee

CHAPTER I

REPORT

1.1. This Report of the Committee deals with action taken by Government on the recommendations contained in their 79th Report (Fifth Lok Sabha) on paragraphs relating to Railway Operation, Expenditure etc. included in the Report of the Comptroller and Auditor General of India for the year 1970-71—Union Government (Railways). Action Taken Notes have been received in respect of all the 41 recommendations contained in the Report.

1.2. The Action Taken Notes on the recommendations of the Committee have been categorised under the following heads:

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

S. Nos. 1—3, 5—10, 12, 13, 16, 17, 20, 21, 23, 24, 27—29, 32—34, 36, 41.

(ii) Recommendations|observations which the Committee do not desire to pursue in the light of the replies of the Government.

S. Nos. 11, 26.

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

S. Nos. 4, 18, 19, 25.

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

S. Nos. 14, 15, 22, 30—31, 35, 37, 38—40.

1.3. The Committee hope that final replies in regard to recommendations to which only interim replies have so far been furnished will be submitted to them expeditiously after getting them vetted by Audit.

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

Cost of operation of trains—Paragraph 1.8 (S.No. 1)

1.5. Dealing with the cost of operation of trains on Indian Railways, the Committee had in paragraph 1.3 made the following observations:—

“The Committee regret to note that the cost of operation of trains is not scientifically ascertained and the increase from year to year analysed for exploring the reasons and taking remedial measures. The percentage increase or decrease in the cost of operating a passenger train Km. in 1970-71 over 1967-68 varied between (+) 6 & (+34) for B.G., (—) 23.6 and (+) 27 for M. G. and (—20) and (+) 59.9 for N. G. in different Zonal Railways. The percentage variation in respect of goods train Km. was from (+) 2 to (+) 54 for B. G., (O) 12 to (O) 71 for M. G. and (—) 0.7 to (+0) 106 for N. G. The Railway Board are unable to satisfactorily explain the wide variations against the combined escalation factor in respect of cost of staff, fuel, stores etc. as between 1967-68 and 1970-71 which is of the order of 21 per cent. They have contended that the cost per train Km. is not a correct or accurate index. According to them the more accurate index will be the cost per net tonne Km. for goods operations and the cost per vehicle Km. for coaching traffic. A broad analysis on this basis has indicated that taking the Indian Railways as a whole the increase in cost has been well below the escalation limit of 21 per cent on all the three gauges. However, the cost in respect of Broad Gauge and Metre Gauge in a number of Railways have exceeded the 21 per cent escalation mark. The Committee desire that the proportion of the fixed cost and variable cost in respect of the cost of operation should be assessed and significant increase in variable cost should be analysed for each Railway Gauge so as to control the expenditure on Railways operation. An exercise of this kind should be started from the next financial year.”

1.6. In their reply dated the 23rd October, 1973, the Ministry of Railways (Railway Board) have stated:

“The observations of the Committee are noted. An exercise of the kind suggested will be attempted during the current year. The results of the analysis will be advised to the Committee.”

1.7. The Committee had desired that the proportion of the fixed cost and variable cost in respect of the cost of operation of trains should be assessed and significant increase in variable cost should be analysed for each railway gauge and that an exercise of this kind should be started from the financial year 1973-74 with a view to having an effective and continuous control over the expenditure on Railways operation. In reply, the Railway Board have stated that it will be attempted during the current year. The Committee regret the apparent official indifference to the value of the exercise recommended by them. They would impress upon the Railway Board the necessity to have a regular arrangement in this regard from the current year onwards.

Imposition of restrictions on booking of goods traffic—Paragraph 2.21 (S. No. 4)

1.8. Commenting on the restrictions imposed on booking of goods traffic for lack of capacity in Stations Sections and transshipment points, the Committee had in paragraph 3.21 observed as under:—

“What worries the Committee more is the admitted lack of capacity of Railways to handle the traffic which can only be attributed to unplanned capital investments on Railways so far. A systematic study of restrictions imposed for lack of capacity in stations sections and transshipment points should serve as a guide for taking up the essential works for execution on a priority basis to remove these bottlenecks. The action taken in this regard may be reported to the Committee.”

1.9. In their reply dated the 23rd October, 1973, the Ministry of Railways (Railway Board) have stated:

“In regard to Committee’s observations that ‘the admitted lack of capacity of railways to handle the traffic which can only be attributed to unplanned capital investment on railways so far’ it is submitted that this conclusion is not justified.

Planning for and provision of additional capacity on the Indian Railways on different sections is based primarily on the estimates of anticipated traffic as given by the various Ministries and duly approved by the Planning Commission. All capital investments on the Indian Railways are, therefore, designed to comply with the targets for movement set before them by the Planning Commission. In a developing economy, however, the possibility

of certain sectors of economy not coming up to the expectations cannot be ruled out. As a result, there may be some sections where the anticipated traffic for which additional facilities have been provided by the Railways has not actually materialised while, on some other sections, traffic has developed beyond the anticipations. Such cases, though a few in number, are obviously beyond the Railways' control. It is, therefore, submitted that it would not be correct to say that lack of capacity to handle traffic on certain sections is attributable to unplanned capital investments on the Railway.

Planning of capacity for the maximum traffic that might offer for a limited duration of time in a year would entail prohibitive investment on the one hand and idling of capacity during major part of the year on the other. That is why line and terminal capacity works are planned for traffic required to be handled on a sustained basis with some allowance for fluctuations and not the maximum traffic that may be offering for short spells only.

Occasional and sudden spurt in traffic—quantum as well as pattern—is regulated by imposition of temporary restrictions to somewhat even out the movement. Likewise, no planning can take into account interruption to communication due to unforeseen causes like floods, breaches, accidents, civil disturbances and labour trouble etc. and in order to avoid congestion, temporary regulation of traffic becomes inevitable. Again, in order to meet obligations in national emergencies like war, drought, etc., defence and relief traffic has to be given top-most priority and less important traffic has to be regulated by imposition of suitable restrictions.

In a wide network of about 60,000 route kms and having over 7,000 stations, it is difficult to ensure smooth operation all the time all over unless sufficient cushion in capacity is provided by planning resources much in excess of the requirement for movement of traffic on a regular and sustained basis which we can ill-afford on account of obvious financial and physical constraints. What is material is not the number of days on the entire network but for how many days in the year a particular stream of traffic was restricted. Such an analysis will show that the incidence of restrictions on individual streams of traffic

is not much and that even such restrictions are by and large due to unforeseen reasons and cannot be attributed to unplanned development of capacity."

1.10. The Committee had suggested that a systematic study of restrictions imposed for lack of capacity in stations/sections and transshipment points should serve as a guide for taking up essential works for execution on a priority basis to remove the bottlenecks. In this connection, they would recall that the Railway Board had intimated that one of the reasons for the disability of the section or station is the traffic flowing regularly in excess of the section or terminal or transshipment capacity (vide paragraph 2.3 of the 79th Report). The Committee would, therefore, like to reiterate that the restrictions imposed for want of capacity on railways to handle the traffic should be continuously analysed for remedial action at the Railway Board's level.

Missing and unconnected coal wagons—Paragraph 3.18 (S. No. 8)

1.11. In paragraph 3.18, the Committee had made the following observations in regard to missing and unconnected coal wagons:

"The Committee find that the debit and credit balances being nearly equal there is a false sense of complacency. In this connection the Committee wish to observe that there is a need to ensure the accuracy of the figures especially those relating to credits as the possibility of the wagons in respect of which compensation was paid to private parties being accounted for as unlinked loco coal wagons could not be ruled out. The Railways have paid compensation on missing private coal wagons to the tune of Rs. 90.1 lakhs during 1970-71. The Committee expect that there ought to be a thorough check of the position in this regard."

1.12. In their reply dated the 10th October, 1973, the Ministry of Railways (Railway Board) have stated:—

"A series of meetings have been held with the Railways concerned to improve the system for proper documentation in respect of booking of the loco coal wagons from the collieries, their transit and final receipt at the loco sheds. Some

of the more important decisions which have been taken, and are being implemented, are indicated below:

- (i) The forwarding note Nos. will be the basic document for linking the loco coal wagons with receipts instead of Railway Receipt Nos. The forwarding note number will also be recorded on the wagon labels together with forwarding station code and the colliery code concerned.
- (ii) In cases of diversion of loco coal wagons to other loco sheds on the same railway or to other railways, particulars should be properly documented and intimations sent, *inter alia*, to the original consignees.
- (iii) Manual linking would continue.
- (iv) The computer centre on the South Eastern Railway will additionally put into effect a programme of linking on despatch basis commencing from March 1973, collecting the basic information from all the railways. This experiment has started; the final results of this new approach will be known after some time.
- (v) In respect of (a) wagons despatched to a railway not linked at all with any receipts and (b) residual receipts on the railway not linked at all with any despatch record, full particulars will be sent direct to the C.C.S. (Claims of the original destination station for undertaking investigation in regard to the claims received and paid, as a part of the centralised linking experiment.
- (vi) Instructions have also been issued for making individual cards for loco coal wagons which will be carried by the guards of the trains successively right upto destination and ultimately delivered to the loco foreman of the receiving station.

As the revised procedure has been and/or is being brought into effect, it would take some time before the effectiveness of the measures is available for scrutiny.

The Committee are however assured that this matter will be examined continuously at a high level to ensure that the documentation system is set up on a proper footing so that the percentage of missing and unconnected loco coal wagons is reduced to the minimum."

1.13. The Committee had noticed that the debit and credit balances under the suspense head "Purchases—(Coal)" as on 31st March, 1971 being nearly equal, there was a false sense of complacency. They had observed that there was a need to ensure the accuracy of the figures especially those relating to credits as the possibility of the wagons in respect of which compensation was paid to the private parties being accounted for as unlinked loco coal wagons could not be ruled out. The Committee expected that there would be a thorough check of the position in this regard. The reply of the Railway Board, unfortunately, does not suggest that this was done. The Committee, therefore, wish to reiterate that the figures should be thoroughly checked early and the results intimated to them.

Eastern Railway—Excessive consumption of fuel—Paragraph 3.29 (S. No. 9).

1.14. Referring to the excessive consumption of fuel on the Eastern Railway, the Committee had in paragraph 3.29 made the following observations:

"The Committee have been stressing the need for economy on fuel consumption. They are concerned to note that a review of the position for the years 1969 and 1970 on Eastern Railway alone revealed excess consumption of coal valued at Rs. 98.12 lakhs and HSD oil valued at Rs. 9.41 lakhs over the target fixed by the Administration. 54.8 per cent of the excessive consumption of coal was due to 'mismanagement of crew', 'defective maintenance of engines' and 'pilferages'. The Railway Board are not able to furnish the information in respect of all the other Zonal Railways. This is a plea the Committee can hardly accept as the Zonal Railways should watch the performance against the targets fixed by them. Such a centralised watch should be started forthwith in order to effectively check wastages and pilferages of fuel."

1.15. In their reply dated the 23rd October, 1973, the Ministry of Railways (Railway Board) have stated:

"It has already been explained in replies to points Nos. 178, 179 and 180 on the para that trip rations are like targets to be achieved and variation in actual consumption over the trip rations cannot necessarily be termed as excess con-

sumption as various operating factors influence the actual consumption during the trip. As per findings of the departmental Committee, the excess consumption after making allowances for the adverse operating factors, was only 1.4 per cent and staff were penalised for the same.

The fuel performance with reference to the trip rations fixed is watched on all the Zonal Railways. All cases of engines and drivers heavy in fuel consumption are analysed, and suitable corrective action is taken. Drivers who are found to consume excess fuel in any trip due to avoidable reasons, are penalised. Besides taking up with engine crew heavy in fuel, the loco|fuel Inspectors travel on the foot plate of the engines and guide the staff in proper firing techniques to achieve economy in fuel consumption. The fuel performance is reviewed regularly in the Divisional an Railways Head Quarters in monthly meetings. A copy of the instruction issued to Railway (Board's letter no. 65/Fuel/285 dated 5-1-1968) in this connection is enclosed. (Annexure)."

ANNEXURE

GOVERNMENT OF INDIA

MINISTRY OF RAILWAYS

(RAILWAY BOARD)

No. 68|Fuel 285

New Delhi, dated the 5th January, 1968

To

The General Managers,
All Indian Railways.

SUBJECT:—*To achieve 6 per cent economy in fuel bill.*

The Board, vide their letter No. 67|Fuel|289|9 dated 3-1-1968, have stipulated that all endeavours should be made with immediate effect to achieve a 6 per cent economy in fuel bill.

2. In order that the target of real economy in fuel both for coal and HSD oil is reached, Board desire that the total fuel consumed

against total traffic moved (GTK) and the fuel consumption rates for the various services are reviewed once a month both at the Headquarters' level in the Heads of Departments' meeting as well as in Division/District level in the Branch Officers' meeting.

3. The Board also desire that during the monthly meetings, the following items concerning fuel economy should be invariably gone into :—

- (i) At the Division/District level meetings, specific reasons for deterioration in the consumption rates for any particular, service or excess consumption in a particular loco shed are indicated for taking remedial measures as required. Factors like (a) Increase in turn-round/drop in speed, (b) Drop in the trailing load (This factor has assumed higher importance due to replacement of smaller type steam locos by bigger ones), (c) longer steaming hours in shed due to inadequate control exercised by ALFs or incorrect forecasts of trains, (d) short supply of fire bricks, piston gland packings, piston and value rings smoke tubes and superheater elements etc. (e) surplus steam--locos (due to fluctuation in traffic electrification/dieselisation or otherwise) not being stored in good repair, (f) pilferage of coal/HSD oil from loco sheds, running trains etc., are to be gone into with a view to pinpoint the weak points.
- (ii) In the Heads of Departments' meeting at the Headquarters' level, a review of the fuel consumption rates Division/District-wise and Railway as a whole should be made with a view to achieve real economy in fuel.

4. A pre-requisite to getting results in the monthly meetings proposed is the prompt availability of performance data concerning fuel.

Please acknowledge receipt of this letter.

(Sd|)

(A.K. Mukherjee) 3-1-68.

*Joint Director, Mechanical Engineering
(Fuel).*

Railway Board

Encl: Nil.

1.16. According to the Committee the Zonal Railways should watch the performance against the targets fixed by them for the consumption of coal and HSD oil. They had recommended that a centralised watch should be started forthwith in order to effectively check wastages and pilferages of fuel. A copy of the instructions issued by the Railway Board in January, 1968, now furnished to the Committee, does not specifically cover the review of performance with reference to the trip ration fixed. The Committee would, therefore, like to suggest that an analysis of the variation between the trip ration and the actual consumption should be carried out periodically by each Zonal Railway on the lines of the sample survey conducted recently in 5 major loco sheds to take appropriate action to effect economy on fuel.

South Eastern, South Central, North Eastern, Western and Northeast Frontier Railways—Heavy shortage in stock verification of Coal—Paragraphs 3.47 and 3.48 (S. Nos. 1.3 and 1.4)

1.17. Dealing with the ratios for converting the volume of coal into weight, the Committee had in paragraph 3.47 observed:

“In order to come to a reasonably accurate assessment of shortages of ratios for converting the volume of coal into weight should be scientifically fixed. The Committee noted that ratios fixed in August, 1966 were reviewed in 1968 when it was found that those adopted by the various Railways differed very widely and that retrials are being undertaken. The Committee desire that realistic and uniform conversion ratios for various grades of coal should be laid down without delay. The Committee would also suggest that the ratio should be reviewed periodically once in two years in the light of field experience to effect necessary improvements.”

1.18. In their reply dated the 10th October, 1973, the Ministry of Railways (Railway Board) stated:

“Average conversion ratios fixed for different grades of coal produced in different coal fields are used by Railways. Bulk density of coal varies with the grades of coal, coal-field to coalfield and between collieries in the same coal-field for same grade of coal, the percentage of slack and dust content in the particular consignment and the degree of packing. Such being the case, however, accurately the average conversion ratios are fixed and revised frequently.

variation cannot be ruled out. The conversion ratios are currently under review and will be advised to the Railways as early as possible. It is proposed to conduct reviews every four years against the two year period suggested by the Committee as the collection and analysis of the data takes considerable time."

1.19. The Committee would like to stress that the review of the conversion ratios of coal may be expeditiously completed and the ratios revised realistically.

1.20. In paragraph 3.48 the Committee had recommended that there should be proper arrangements for weighment of coal both at the time of receipt and issue.

1.21. In their reply dated the 10th October, 1973, the Ministry of Railways (Railway Board) have stated:

"There are at present no weighbridges in the loco sheds to undertake weighment of coal wagons and locomotives. The proposal for having all incoming coal wagons and issues weighed at major sheds has to be considered in the light of the following:—

- (i) Installation of weighbridges of heavy capacity capable of weighment of locomotives before and after coaling would involve heavy capital outlay and recurring expenditure for their maintenance and operation.
- (ii) Steam locomotive consumes coal and water even while it is stationary. Consequently, the difference between the weights of locomotive before and after coaling would not give correct weight of coal issued as some coal and water in the tender would have been consumed during the interval.
- (iii) It affects turn-round of engines by causing extra detentions for weighment.

The availability/possibility of manufacturing the heavy capacity weighbridges, the financial implications and operational difficulties to be encountered will have to be gone into in detail. For this purpose a departmental Committee has been constituted to suggest how best the recommendation can be implemented. Further action will be taken in the light of the report submitted by the Committee."

1.22. The Committee desire that the recommendations of the departmental Committee constituted to go into the question of installation of weighbridges in large sheds as also the action taken thereon may be made available to them within 3 months.

Discrepancies in inventory records—Paragraph 4.7 (S. No. 15)

1.23. Commenting on the discrepancies in inventory records for the period 1968-69 to 1970-71, the Committee had in paragraph 4.7 observed as under:

“The Committee are concerned to note considerable discrepancies in inventory records. As against total transactions amounting to Rs. 564.86 crores, Rs. 563.75 crores and Rs. 604.84 crores during 1968-69, 1969-70 and Rs. 2.80 crores, Rs. 3.52 crores and Rs. 7.83 crores and shortages aggregating Rs. 3.71 crores, Rs. 3.02 crores and Rs. 6.71 crores respectively. Thus unsatisfactory maintenance of the stores records for receipt, custody and issue of stores and inventories is clearly indicated. Only a thorough investigation of the discrepancies will reveal the nature of accounting irregularities and the extent of actual losses due to pilferage etc. The Committee would, therefore, stress that these should be investigated promptly and results intimated to them.”

1.24. In their reply dated the 2nd November, 1973, the Ministry of Railways (Railway Board) have stated:

“The observations of the Committee are noted. The Railways have been instructed to investigate the surpluses and shortages for 1971-72 and 1972-73 and intimate the result. The Committee will be advised of the outcome of the investigation in due course.”

1.25. The Committee note that instructions have been issued to investigate the surpluses and shortages of inventory for the years 1971-72 and 1972-73. As there was unusually heavy incidence of discrepancies during 1970-71, the Committee desire that the discrepancies for that year also may be investigated.

Southern Railway—Unnecessary creation of traffic facilities for movements of boulders to Tuticorin—Harbour Project—Paragraph 5.35 & 5.35 (S. Nos. 18 & 19)

1.26. Dealing with the traffic facilities created by the Southern Railway at the instance of the Ministry of Shipping & Transport for the movement of boulders to Tuticorin Harbour Project, the Com-

mittee had in paragraphs 5.34 and 5.35 made the following observations:

"The non-utilisation of the capacity created for the movement of boulders to the Tuticorin Harbour Project is a typical instance where the Railways were given an incorrect forecast of traffic by the user Ministry. The Committee cannot appreciate as to why the Railways did not subject the anticipations of the Ministry of Transport to a close scrutiny before deciding upon investments of the order of Rs. 11.50 lakhs on an urgency basis. The Project has also involved investment of a sum of about Rs. 13 lakhs on Railway siding etc. As against the estimated movement of 3 million tonnes of boulders by rail commencing from 1st July, 1965, the quantity moved during seven years ended 31st March, 1972 was a mere 0.59 million tonnes. This was explained as due to delay in sanctioning the Harbour Project as a whole. Thus the rail facilities were provided without ensuring integrated execution of the project as a whole. It is surprising how the Ministry of Transport and Shipping could give indication regarding the transport requirement prematurely which led to unnecessary creation of traffic capacity. Such a casual approach to investment of public money cannot but be deprecated by the Committee. The whole matter, therefore, requires investigation to obviate recurrence."

"Another matter causing serious concern is that having indicated that the entire traffic would be moved by rail, the Harbour Project had allowed diversion to road. How considerable was this diversion can be seen from the fact that a quantity of 1.57 lakhs tonnes of boulders were moved by road from Ambasamudram to Tuticorin Harbour Project during 1969-70 and 1970-71 as against rail movement of 2.34 lakh tonnes. The plea that the road transport is cheaper cannot be accepted in the absence of economics of the rail and road transports having been worked out and in view of the lower rates quoted by the contractor for movement by rail. The Committee, therefore, desire that the Ministries of Railways and Transport and Shipping should go into this question in detail and inform the Committee of the steps taken to ensure that the rail capacity created specifically for carrying materials for the harbour is being put to effective use."

1.27. In their reply dated the 17th November, 1973 the Ministry of Shipping & Transport (Transport Wing) have stated:

"When the scheme for development of Tuticorin Harbour as a major port was drawn up in 1963 it was envisaged that for armouring the breakwaters, about 3 million tonnes of stones each weighing 3 to 8 tonnes would have to be brought to the harbour site from Ambasamudram. On this basis, the Southern Railway was asked to provide the necessary siding facilities as well as line capacity works for moving the stones.

Then the layout of the harbour, cross section of breakwaters etc. were finalised later by model studies in the Central Water and Power Research Station, Poona. a detailed project estimate was worked out in November, 1964 according to which the quantity of armoured stones to be moved from Ambasamudram was estimated at 1.75 million tonnes.

In accordance with the revised estimates for the movement of stones, the quantity conveyed by rail and road are furnished below:

Total estimated requirement of armour stones for the project (Revised)	18.00 lakh tonnes.
Quantity of Boulders moved upto 20-10-1973	8.08 lakh tonnes.
Quantity of Boulders further expected to be moved by rail upto end of Porject	4.65 lakh tonnes.

In regard to the more intensive utilisation of the rail capacity created specifically for carrying materials for the harbour, it is submitted that it has since been decided that in addition to utilising rail facilities for movement of armour for the construction of South and North Breakwaters, certain quantities of metal and spalls required for the casting of cement concrete blocks would also be moved by rail. Already, after June, 1973, 70 tonnes of X stones, 3,004 tonnes of spalls and 758 tonnes of stone metal have been moved by rail."

1.28. A thorough investigation into the circumstances leading to giving of premature estimates of boulder traffic by the Ministry of Shipping & Transport as also the reasons for considerable diver-

sion of boulder traffic to road should be made forthwith by the Ministry of Shipping & Transport. Such investigation regrettably does not appear to have been made despite a specific suggestion by the Committee. The results of the investigation together with the action taken for fixing individual responsibility for the lapses at various stages may be communicated to the Committee.

Central Railway—Singrauli—Katni Project—Paragraph 5.64 (S. No. 22).

1.29. In paragraph 5.64, the Committee had made the following observations in regard to the construction of Singrauli—Katni line:

“The railway line to provide an outlet for Singrauli coal fields towards Katni was included in the Third Plan against the provision of 200 miles required in connection with the development of coal industry. The National Coal Development Corporation is stated to have indicated in June, 1960 that the future plans for the Singrauli coalfield was to feed the consumers in Central and Western India from this source. Further development of mines to 10 million tonnes level was expected by the Fourth Plan by which time the Singrauli-Katni line was also scheduled for completion. It was on this basis that the line was sanctioned in December, 1962. However, on 16th August, 1962, the Ministry of Mines are stated to have informed the Planning Commission that they were not in favour of including Singrauli-Katni line against the Third Plan provision. Unfortunately this letter did not come to the notice of the Railways until November, 1967. The Committee have been given to understand that the construction of the line was considered by a Committee of Cabinet (Economic Coordination) on 18th August, 1962. The Committee have not been made aware of the exact considerations that weighed with the Cabinet Committee and the date before them in deciding upon the construction of the line. They would also like to know whether the objections of the Ministry of Mines were brought to the notice of the cabinet Committee at any time.”

1.30. In their reply dated the 7th November, 1973, the Ministry of Railways (Railway Board) have stated:

“The observations of the Committee are noted.

As regards Committee's enquiry regarding the exact consideration that weighed with the Cabinet Committee in deciding

upon the construction of the Singrauli-Katni line and whether the objections of the Ministry of Mines were brought to the notice of the Cabinet Committee at any time, it is submitted that the matter was referred to the Planning Commission and the Cabinet Secretariat. The Planning Commission have stated that their file on the subject was destroyed in December, 1971 and they are not in a position to clarify whether any action was taken to inform the Cabinet Committee. However, the matter is still under consideration in consultation with Cabinet Secretariat."

1.31. The Committee desire that the Railway Board should in consultation with the Cabinet Secretariat report within 3 months on the considerations which weighed with the Cabinet Committee and the data before them in deciding upon the construction of the Singrauli-Katni line and how the objections of the Ministry of Mines were dealt with.

1.32. Emphasizing the need for enhancement of production in Singrauli coalfields for better utilisation of Singrauli-Katni rail line, the Committee had in paragraph 5.65 observed as under:

"The Committee have been informed that as against a target of 2.5 million tonnes the Singrauli coalfields did not produce any coal during the Third Plan period. The estimate of 10 million tonnes production at the end of the Fourth Plan does not appear to be based on any project reports. This was scaled down to 4.37 million tonnes and even this has not materialised. The Committee hope that efforts to develop the coalfields will be attended by enhancement of production and utilisation of the railway line constructed for the purpose."

1.33. In their reply dated the 22nd November, 1973 the Department of Mines have stated:

"Apart from completing the Jhingurda mine in the Singrauli coalfield, which was taken up for implementation in the Third Plan, the National Coal Development Corporation took up one more mine for development at Gorbi in the same field in the Fourth Five Year Plan. The production

expected from this coalfield in the current year is about 2.10 million tonnes, which would be supplied to the linked power stations at Obra and Renuagar.

2. During the Fifth Five Year Plan, the Coal Mines Authority, of which the National Coal Development Corporation has become a subsidiary, has planned to increase the production from Singrauli coalfield to about 7.3 million tonnes by 1978-79. In addition to the existing two mines already mentioned, four more projects will be taken up during the Fifth Plan. The total capacity of all these projects when they are fully completed in production of 7.3 million tonnes expected in 1978-79, a small quantity would be consumed in the colliery itself and the balance of 7.1 million tonnes would be available for the linked Obra Power Station (1550 MW)—about 5.86 million tonnes and the Renuagar Power station (245 MW—1.24 million tonnes). No coal is expected to be available from this field for supply to other consumers, requiring movement the Singrauli-Katni rail link. The possibility of utilising this line as an additional outlet for Bengal-Bihar coal is under examination.”

1.34. The Committee note that out of the production of 7.3 million tonnes expected in 1978-79 from Singrauli coalfields, no coal will be available for movement over the Singrauli-Katni rail link. They have, however, been informed that the possibility of utilising this line as an additional outlet for Bengal-Bihar coal is under examination. As the line is working in severe loss, the Committee would urge that a decision in this regard should be expedited. The Committee are constrained to add that the proceedings under comment indicate a peculiar and in the present context, disastrous indifference towards the efficient organisation and acceleration of coal production and transport to desired points.”

Extra expenditure on procurement of wheel sets owing to non-inclusion of requisite details in the tender specification

1.35. In paragraph 6.12 the Committee had made the following observations:

“The Committee note that pursuant to a policy decision taken by the Railway Board both solid wheels capable of being tyred and composite wheels (built-up wheels) were to be accepted depending upon the price advantage for carriage and wagons. It is regrettable that the permissible alternatives were not included in the schedule of requirements

for the global tender floated in June, 1970 for procurement of 22.9 tonnes plain bearing wheelsets. This omission and the consequent need for re-tendering compelled the Railways to pay higher prices. The RDSO are stated to have furnished the specification for built-up wheel sets only, overlooking their sketch for wheel sets with solid wheels. The Committee consider this to be a costly slip especially in view of the fact that the RDSO sketch for solid wheels was prepared as early as 1962 and solid wheel sets were in fact procured and used earlier. The Committee trust that responsibility for the lapse will be fixed."

1.36. In their reply dated the 30th October, 1973, the Ministry of Railways (Railway Board) have stated:

"It will be appreciated that at the point of time when tender schedules of GP-56 were being scrutinised in the RDSO in late 1970, only composite (built-up) wheelset was the approved standard and solid wheelsets to RDSO sketch were under observation. Since the accepted practice is to invite tenders for the approved standard items only, composite wheelsets alone were shown in the tender schedule. The fact that solid wheelsets had been twice procured in the past was known to the suppliers and they were not precluded from submitting to this alternative. It is, however, submitted that RDSO deals with a large variety of items and in each item there are complex problems and hence may lead to delay inadvertently. Considering the circumstances of the case, the Railway Board would submit that the omission on the part of the RDSO to include the alternative specification should not be treated as a failure requiring fixation of responsibility."

1.37. The Committee had desired that the responsibility for the lapse in not including the permissible alternative in the schedule of requirements for the global tender floated in June, 1970 should be fixed. The reply of the Railway Board deals with the delay in standardising the drawings for solid wheels. As non-standardisation of the drawing would not be a valid plea for non-inclusion of solid wheels as an alternative, particularly in the context of earlier purchases having been based on non-standard drawing, the Committee expect that the responsibility should be fixed as suggested by them.

Grant of premium by way of higher fabrication rates on freight consideration to some C.I. sleeper manufacturers in Northern India.

1.38. Dealing with a case of payment of higher rates to some manufacturers in Northern India than those allowed to firms located around Calcutta, the Committee had in paragraph 6.54 observed:

“During the period 1967-68 to 1970-71 rates higher than those allowed to firms located around Calcutta were allowed by the Railways for the fabrication of CI sleepers to two sleeper manufacturers in the Delhi region causing additional expenditure of Rs. 10 lakhs. The justification given that the Railways had a freight advantage calculated at the public tariff rates lacks force. The Railways apply what is called RMC rate which takes into account only the direct costs for the movement of their own material. That this rate will apply only if both the consignor and the consignee happen to be Railways does not appeal to the Committee as the raw material for the fabrication of sleepers are supplied at the RMC rates and the sleepers are solely for railway use. Further no revenue earning freight was likely to be displaced by the transport of CI sleepers from Calcutta. In view of this the Committee cannot but conclude that the Railways have not safeguarded their interest well. The Committee would suggest that in future while calculating price advantages the freight element should be calculated only at the RMC rates provided there is adequate line capacity to haul the material from the distant place.”

1.39. In their reply dated the 20th October, 1973, the Ministry of Railways (Railway Board) have stated:

“The observation of the Committee in so far as the procurement of CI sleepers is concerned is noted. In regard to general procurement, it is not possible to accept Committee's recommendations for the following reasons:—

- (a) It will involve reference to Traffic Department in numerous cases.
- (b) A tender may involve more than one despatching station and more than one consignee station. Line capacity will then have to be ascertained from the various despatching stations to the various consignee stations in respect of that tender.
- (c) As line capacity may vary from station to station in the same tender, it may happen that adequate line capacity may be available between some set of stations and may

not be available for some other set of stations. This would mean that RMC rate would have to be taken for calculations for some stations and some other rate for some other stations. In view of this, calculations and comparisons are likely to become cumbersome and confusing.

- (d) Line capacity may vary from season to season on the same route. As delivery of supplies against a tender may be spread over a period of time, the position with regard to adequate availability or other-wise of line capacity may vary during that period. Line capacity may also vary depending on execution of line capacity works from time to time. It may also vary according to commodities or other constraints like temporary traffic restrictions, availability of wagons of a particular type, etc.
- (e) Even assuming that in a particular case adequate line capacity is not available, the other revenue earning traffic that may be displaced may be high-rated or low-rated as compared to the material being ordered and, therefore, a precise assessment of the situation with regard to the comparison of prices does not seem to be feasible."

1.40. The Committee take note of the difficulties in carrying out the suggestions in regard to inclusion of price advantages for all items of railway purchases. However, they would suggest that the principle commended by them should be tried in the case of procurement of CI sleepers.

South Eastern Railway—Encroachment of Railway land—Paragraph 8.15 (S. No. 36).

1.41. Commenting on a case of encroachment of Railway land the Committee had in paragraph 8.15 made the following observations:

"The Committee would like to know whether there have been similar encroachments in South-Eastern Railway and other Zonal Railways. In view of what has happened in the case referred to in the foregoing paragraph the Committee feel that there should be greater vigilance on the part of the departmental machinery in clearly demarcating the railway lands and verifying the boundaries periodically."

1.42. In their reply dated the 28th September, 1973, the Ministry of Railways (Railway Board) have stated:

"The Committee's observations that there should be greater vigilance on the part of the departmental machinery in clearly demarcating the railway lands and verifying the boundaries periodically are noted and the same have also been brought to the notice of the Railways.

As regards Committee's enquiry about similar cases on South Eastern Railway and other Zonal Railways in which railway lands were not demarcated and encroachments remained undetected for a long time, it has been ascertained that there have been 11 cases on all the Railways where there was some interval between the encroachment and the detection by the Railways. In all these cases, the boundaries have been demarcated. Necessary legal action is in progress for the eviction of unauthorised occupants or regularisation.

This has been seen by Audit who have stated that the factual position is under verification by Chief Auditors of the Railways."

1.43. The Committee would like to be informed of the extent of encroachments of Railway lands and the actual time-lag in detection thereof in respect of all the other 11 cases. They also desire that action should be taken to fix responsibility for not detecting the encroachments in time.

Northern Railway—Loss in land acquisition (Paragraph 8.25—S. No. 37)

1.44. In paragraph 8.25 the Committee had made the following observations in regard to delay in determining the value of land at Delhi taken over by the Northern Railway from the Ministry of Defence:

The Committee regret the delay in determining the value of 72.7 acres of land at Delhi taken over by the Northern Railway from the Defence Department 6 years ago. Although the Defence Department demanded price at the rate of Rs. 40 per sq. yard, according to the Deputy Commissioner, Delhi, this rate was for fully developed land and the price of land taken over by the Railway was Rs. 6 per sq. yard only. Further, the Committee find that the price

paid for the land in the same area acquired through the Delhi Development Authority was Rs. 8 per sq. yard. On the basis of rate indicated by the Deputy Commissioner, the Railway has made an overpayment of Rs. 47.95 lakhs which, however, has not been accepted by the Defence Department. After going through the facts of the case the Committee cannot resist a feeling that the Defence Department has not taken a realistic attitude. As it is undesirable to inflate the capital-at-charge of the Railways with the attendant dividend liability, the Committee would urge that Government should see that a settlement is reached early."

1.45. In their reply dated the 13th September, 1973, the Ministry of Railways (Railway Board) have stated:

"The observations of the Committee are noted.

With a view to reaching an early settlement with the Ministry of Defence, a meeting between the representatives of the Ministries of Defence and Railways was held on 2.8.73. At this meeting the Ministry of Defence proposed to have the question of valuation of land made over to the Railways re-examined by the Deputy Commissioner, Delhi.

The matter will be further pursued with the Ministry of Defence to arrive at an early decision.

This has been seen by Audit who have stated that the Committee may be advised of the final outcome in due course."

1.46. In a further note dated the 22nd November, 1973, the Railway Board have stated:

"The inter-ministerial meeting held on 2.8.1973 was presided over by the Joint Secretary, Ministry of Defence. The following were the participants:

Ministry of Defence.

Shri M. L. Dave, JS(P&W)—Chairman.
Shri V. Anandrau, US (Lands).

Railway Board

Shri P. S. Bami, Joint Director (Finance)
 Shri Vijaya Singh, Joint Director (Works)
 Shri D. S. Tomar, CE (Const), Northern Railway.

Ministry of Finance (Defence)

Shri V. D. Kher, AF(W)

QMG's Branch

Lt. Col. Raghuvir Singh, AQMG.

ML&C Directorate

Shri Ram Sarup, JDMLC
 Shri R. P. Oberao, DMLC

Dy. Commissioner, Delhi

Shri S. L. Arora, DM"

1.47. As the matter has been pending for a very long time, the Committee desire that it should be pursued with the Ministry of Defence at a high level and a settlement reached within 3 months.

Southern Railway—Non-utilisation of imported underframes—Paragraph 9.17 (S. No. 40)

1.48. In paragraphs 9.15 to 9.17 the Committee had made the following observations:

"The Committee find that 38 imported underframes were received by the Southern Railway and the connected bogies and accessories were cleared by the Eastern Railway; the consignments thus got separated and it took nearly 7 years to connect them. It is surprising that neither the Southern Railway nor the other Railways to whom the underframes were despatched by the Southern Railway pursued promptly the non-receipt of bogies and accessories. It is equally surprising that the Eastern Railway did not appear to have taken prompt action to despatch the bogies and accessories to the railways concerned. While the Railway Board have explained the circumstances under which the bogies and accessories got disconnected from the underframes, no explanation is forthcoming as to how they remained unconnected on the Eastern Railway till 1966. The Committee hope that

suitable action will be taken against those found responsible for the inaction in the matter especially as it resulted in non-utilisation of 18 underframes costing Rs. 7.8 lakhs for over a decade."

"Incidentally the Committee find that the materials relating to 6 underframes appeared to have been lost while in the custody of the Eastern Railway. The matter requires investigation."

"After going through the case the Committee are unable to resist a feeling that such machinery as the Railway Board have at present has not helped to link up the disconnected consignments. This lacuna therefore needs to be remedied soon."

1.49. In their reply dated the 27th October, 1973, the Ministry of Railways (Railway Board) have stated:

"The observations of the Committee are noted. The matter is under examination in consultation with the Eastern Railway who have to trace the old records; it will therefore take some time to complete the examination."

1.50. As already observed by the Committee such machinery as the Railway Board have at present has not helped to link up the disconnected consignments in this case. In fact the Committee had recommended that the lacuna should be remedied soon. Unfortunately no specific action appears to have been taken in this regard. The Committee are, therefore, constrained to reiterate that suitable remedial steps should be taken immediately.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

The Committee regret to note that the cost of operation of trains is not scientifically ascertained and the increase from year to year analysed for exploring the reasons and taking remedial measures. The percentage increase or decrease in the cost of operating a passenger train Km. in 1970-71 over 1967-68 varied between (+) 6 & (+) 34 for B.G., (—) 23.6 and (+) 27 for M.G. and (—20) and (+) 59.9 for N.G. in different Zonal Railways. The percentage variation in respect of goods train Km. was from (+) 2 to (+) 54 for B.G., (+) 12 to (+) 71 for M.G. and (—) 0.7 to (+) 166 for N.G. The Railway Board are unable to satisfactorily explain the wide variations against the combined escalation factor in respect of cost of staff, fuel, stores etc. as between 1967-68 and 1970-71 which is of the order of 21 per cent. They have contended that the cost per train Km. is not a correct or accurate index. According to them the more accurate index will be the cost per net tonne Km. for goods operations and the cost per vehicle Km. for coaching traffic. A broad analysis on this basis has indicated that taking the Indian Railways as a whole the increase in cost has been well below the escalation limit of 21 per cent on all the three gauges. However, the cost in respect of Broad Gauge and Metre Gauge in a number of Railways have exceeded the 21 per cent escalation mark. The Committee desire that the proportion of the fixed cost and variable cost in respect of the cost of operation should be assessed and significant increase in variable cost should be analysed for each Railway Gauge so as to control the expenditure on Railways operation. An exercise of this kind should be started from the next financial year.

[S. No. 1, Para 1.8 of Appendix V of 79th Report of P.A.C.
(Fifth Lok Sabha).]

Action taken

The observations of the Committee are noted. An exercise of the kind suggested will be attempted during the current year. The results of the analysis will be advised to the Committee.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 73-BC-PAC|V|
79(1) dated 23.10.1973|1 Kartika, 1895.]

Recommendation

Imposition of restrictions on booking of goods traffic for whatever reasons affects earnings. The Committee note that the six Zonal Railways restrictions were imposed in various stations|sections during 1968-69 and 1969-70 for a total period of 12,367 days all of which were not due to natural causes such as breaches, accidents etc. More than 77 per cent of the restrictions were reported to be due to traffic exceeding the capacity of the section/station, Limited transshipment capacity or performance, wagon difficulties, failure of trade etc. It is indeed ironical that at a time when the Railways are in desperate need to attract additional traffic, such large-scale restrictions should be imposed most of which could well have been avoided. This is bound to divert even the present traffic offerings to road and it will be difficult to retrieve the traffic once lost to road. The Committee would, therefore, suggest that after analysing the position critically the Railways should take suitable remedial measures to ensure that the restrictions are reduced to the inescapable minimum.

The accumulations/congestions necessitating restrictions for booking caused by deliberate motivation of price manipulation by trade is disturbing to the Committee. Such attempts should be effectively discouraged in concert with civil authorities. Further, the Committee would suggest that the feasibility of lowering the free time allowed for clearing of wagon loads and making the levy of wharfages and demurrages more stringent should be examined to deter more effectively unnecessary hold-ups.

[S. Nos. 2 & 3, Paras 2.19 & 2.20 of Appendix V of 79th Report of PAC
(Fifth Lok Sabha)]

Action taken

The observations of the Committee have been brought to the notice of the Railways for guidance. However, as already pointed out in the different memoranda submitted to the Committee as well as during the oral evidence, imposition of restrictions is done in unavoidable circumstances with the prime objective of avoiding wastage of wagon capacity, which would, otherwise, inevitably occur if unrestrained loading is permitted to terminals or over sections which are already congested. Instructions are already in force that incidence of restrictions should be kept to the minimum.

The following steps have been taken to discourage hold-up of traffic at terminals—

- (i) The wharfage and demurrage rates have been enhanced with effect from 1.12.1972.
- (ii) Section 77 of the Indian Railways Act has been amended with effect from 22.12.1972 reducing the period of responsibility of the railway as a bailee for safe custody of goods carried by railway from 30 days to 7 days after the termination of transit.
- (iii) Instructions have been issued to the Railways to make full use of the existing rules authorising them to unload consignments immediately after the expiry of the free time, debiting the cost, as per rule, to the consignee.

The normal free time allowed for loading or unloading of goods in from a wagon is now 5 hours which is considered reasonable and no reduction thereof is contemplated.

[Ministry of Railways (Railway Board) O.M. No. 73-BC-PAC|V| 79(2—6) dated 23-10-1973|1 Kartika, 1895]

Recommendation

Restrictions on account of wagon difficulties is obviously unjustified. This may be partly due to delay in putting right the sick or damaged wagons or delay in wagon turnround. Quick repairs to the wagons and quicker turn round of wagons will certainly ease the position to a large extent. No slackness in this regard should be viewed with leniency. Further the Railways should realistically assess the future requirements of various types of wagons and take steps to improve the position of wagon availability.

Another aspect which the Committee would like to stress is the need for a centralised control and watch of restrictions imposed by the Zonal Railways from time to time. At the present only the restrictions placed beyond 5 days on each occasion are simultaneously re-jorted to the Railway Board. However, out of 12,367 days of restriction imposed during 1968-69 and 1969-70 those for 5 days and less on each occasion totalled upto 2,415 days. It is, therefore, necessary that the Railway Board got the details of such restrictions also periodically and make a random check to find out how far these were justified and what remedial measures are necessary to tide over the difficulties. The Committee hope that such a review and random check will be introduced forthwith.

[S. Nos. 5 and 6, Paras 2.22 and 2.23 of Appendix V of 79th Report of PAC (Fifth Lok Sabha)].

Action taken

The observations of the Committee have been noted. While the need for quicker repair to and turn-round of wagons is recognised, it may be mentioned that a large number of extraneous factors have seriously affected free flow of traffic and speedier repair of wagons. These factors include political agitations, bundhs, strikes, theft of overhead traction wires and communication cables, pilferage of wagon fittings and labour trouble etc. The serious power shortage in the country is yet another new factor which has not only slowed down movement on electrified routes but has also affected repair capacity of railway workshops and sick lines etc. All these factors have had an adverse repercussion on the mobility of traffic which in turn has affected availability of wagons to the trade. Unfortunately, the Railways have very little control over these factors.

The observations of the Committee are noted. The random check suggested by the Committee is being introduced from August, 1973.

[Ministry of Railways (Railway Board) O.M. No. 73-BC-PAC|V|
79(2—6) dated 23-10-1973|1 Kartika, 1895].

Recommendation

The Committee are concerned over the unprecedented increase in the missing and unconnected coal wagons on the Railway during 1970-71. The value of the missing coal debited to the suspense head is Rs. 29.57 crores and that of the unconnected coal credited to the head is Rs. 29.07 crores as on 31st March, 1971. These remained to be reconciled and charged to proper heads of accounts. The Committee had occasion to examine the position earlier and they were informed that the position was expected to improve with the introduction of the new mechanised procedure of linking of missing and unconnected coal wagons. The mechanised procedure introduced from August, 1966 which was thought of as a panacea for all ills had let down badly the Railways in that the percentage of missing coal wagons in relation to the total loco coal loading which was 4.2 in 1965-66 jumped to 7.7 in the subsequent year and further increased to 8.8 in 1970-71. According to the Railways own admission the documentation system had broken down. However, a thorough study is stated to have been already embarked upon. The Committee cannot too strongly stress that the documentation system should be put on a satisfactory footing without further

delay. As heavy suspense balances, apart from revealing highly inefficient book-keeping, vitiate Parliamentary financial control over expenditure which should be scrupulously avoided, the Committee would urge that the position should be improved without further delay.

The Committee find that the debit and credit balances being nearly equal there is a false sense of complacency. In this connection the Committee wish to observe that there is a need to ensure the accuracy of the figures especially those relating to credits as the possibility of the wagons in respect of which compensation was paid to private parties being accounted for as unlinked loco coal wagons could not be ruled out. The Railways have paid compensation on missing private coal wagons to the tune of Rs. 80.11 lakhs during 1970-71. The Committee expect that there ought to be a thorough check of the position in this regard.

[S. Nos. 7 and 8, Paras 3.17 and 3.18 of Appendix V of 79h Report of PAC (Fifth Lok Sabha)].

Action taken

A series of meetings have been held with the railways concerned to improve the system for proper documentation in respect of booking of the loco coal wagons from the collieries, their transit and final receipt at the loco sheds. Some of the more important decisions which have been taken, and are being implemented, are indicated below:

- (i) The forwarding note Nos. will be the basic document for linking the loco coal wagons with receipts instead of railway receipt Nos. The forwarding note number will also be recorded on the wagon labels together with forwarding station code and the colliery code concerned.
- (ii) In cases of diversion of loco coal wagons to other loco sheds on the same railway or to other railways, particulars should be properly documented and intimations sent, *inter alia*, to the original consignees.
- (iii) Manual linking would continue.
- (iv) The computer centre on the South Eastern Railway will additionally put into effect a programme of linking on despatch basis commencing from March 1973, collecting the basic information from all the railways. This experiment has started; the final results of this new approach will be known after some time.

- (v) In respect of (a) wagons despatched to a railway not linked at all with any receipts and (b) residual receipts on the railway not linked at all with any despatch record, full particulars will be sent direct to the C.C.S. (Claims) of the original destination station for undertaking investigation in regard to the claims received and paid, as a part of the centralised linking experiment.
- (vi) Instructions have also been issued for making individual cards for loco coal wagons which will be carried by the guards of the trains successively right upto destination and ultimately delivered to the loco foreman of the receiving station.

As the revised procedure has been and/or is being brought into effect, it would take some time before the effectiveness of the measures is available for scrutiny.

The Committee are however assured that this matter will be examined continuously at a high level to ensure that the documentation system is set up on a proper footing so that the percentage of missing and unconnected loco coal wagons is reduced to the minimum.

[Ministry of Railways (Railway Board) O.M. No. 73-BC/PAC/V/79(7-8) dated 10-10-1973, 18, Asvina, 1895].

Recommendations

The Committee have been stressing the need for economy on fuel consumption. They are concerned to note that a review of the position for the years 1969 and 1970 on Eastern Railway alone revealed excess consumption of coal valued at Rs. 98.12 lakhs and HSD oil valued at Rs. 9.41 lakhs over the target fixed by the Administration. 54.8 per cent of the excessive consumption of coal was due to 'mismanagement of crew', 'defective maintenance of engines' and 'pilferages'. The Railway Board are not able to furnish the information in respect of all the other Zonal Railways. This is a plea the Committee can hardly accept as the Zonal Railways should watch the performance against the targets fixed by them. Such a centralised watch should be started forthwith in order to effectively check wastages and pilferages of fuel.

The Railway Board proposed to have a sample survey conducted in five major loco sheds on different Railways for the month of

November, 1971. The result of the survey as well as the remedial action taken may be reported to the Committee within six months.

[S. Nos. 9 and 10, Paras 3.29 and 3.30 of Appendix V of 79th Report of PAC (Fifth Lok Sabha)].

Action taken

It has already been explained in replies to points Nos. 178, 179 and 180 on the para that trip rations are like targets to be achieved and variation in actual consumption over the trip rations cannot necessarily be termed as excess consumption as various operating factors influence the actual consumption during the trip. As per findings of the departmental Committee, the excess consumption after making allowances for the adverse operating factors, was only 1.4 per cent and staff were penalised for the same.

The fuel performance with reference to the trip rations fixed is watched on all the Zonal Railways. All cases of engines and drivers heavy in fuel consumption are analysed, and suitable corrective action is taken. Drivers who are found to consume excess fuel in any trip due to avoidable reasons, are penalised. Besides taking up with engine crew heavy in fuel, the Loco|Fuel Inspectors travel on the foot plate of the engines and guide the staff in proper firing techniques to achieve economy in fuel consumption. The fuel performance is reviewed regularly in the Divisional and Railway Headquarters in monthly meetings. A copy of the instruction issued to Railway (Board's letter No. 65|Fuel|285 dated 5-1-1968) in this connection is enclosed (Annexure I).

Information is furnished in the statement attached (Annexure II).

[Ministry of Railways (Railway Board) O.M. No. 73-BC|PAC|V|79(9—11), dated 23-10-73|1 Kartika, 1895].

ANNEXURE I

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No. 89|Fuel|285. *New Delhi, dated the 5th January, 1968.*

To

The General Managers,
All Indian Railways.

SUBJECT: *To achieve 6 per cent economy in fuel bill.*

The Board, *vide* their letter No. 67|Fuel|289|9, dated 3-1-1968,

have stipulated that all endeavours should be made with immediate effect to achieve a 6 per cent economy in fuel bill.

2. In order that the target of real economy in fuel both for coal and HSD oil is reached, Board desire that the total fuel consumed against total traffic moved (GTK) and the fuel consumption rates for the various services are reviewed once a month both at the Headquarters' level in the Heads of Departments' meeting as well as in Division/District level in the Branch Officers' meeting.

3. The Board also desire that during the monthly meetings, the following items concerning fuel economy should be invariably gone into:—

(i) At the Division/District level meetings, specific reasons for deterioration in the consumption rates for any particular service or excess consumption in a particular loco shed are indicated for taking remedial measures as required. Factors like (a) Increase in turn-round/drop in speed, (b) Drop in the trailing load (This factor has assumed higher importance due to replacement of smaller type steam locos by bigger ones). (c) longer steaming hours in shed due to inadequate control exercised by ALFs or incorrect forecasts of trains, (d) short supply of fire bricks, piston gland packings piston and valve rings, smoke tubes and superheater elements etc. (e) surplus steam locos (due to fluctuation in traffic electrification/dieselisation or otherwise) not being stored in good repair, (f) pilferage of coal/HSD oil from loco sheds, running trains etc., are to be gone into with a view to pinpoint the weak points.

(ii) In the Heads of Departments' meeting at the Headquarters' level, a review of the fuel consumption rates Division/District-wise and Railway as a whole, should be made with a view to achieve real economy in fuel.

4. A pro-requisite to getting results in the monthly meetings proposed is the prompt availability of performance data concerning fuel.

Please acknowledge receipt of this letter.

Sd/- (A. K. MUKHERJEE) |3-1-168
Joint Directorate, Mechanical Engineering (Fuel),

Encl: Nil.

Railway Board.

ANNEXURE II

Variation in consumption as compared to trip at a major shed on Railways for the month of November, 1971

Shed and Rly.	Service	Trip in tonnes/kilolitres.	Actual consumption in tonnes/kilolitres.	Variation Percentage	Brief reasons for variation
Bhusawal Shed (Central Rly.)	Pass. Goods } Goods }	2750.2	3086.6	12.3	Excess consumption is due to operating factors.
		2254.3	2609.8	15.7	
Kanpur Shed (Northern Rly.)	Pass. Goods } Goods }	699	727	4	Excess consumption is due to operating factors and use of inferior coal.
		8656.0	9372.7	8.3	
Mughalharai Shed (N. Rly.)	Pass. Goods } Goods }	2118.8	2123.1	0.2	Excess consumption is due to operating factors and use of fast burning coal.
		3487.4	3472.6	-0.4	
Gorakhpur Shed (North Eastern Railway)	Pass. Goods } Goods }	4802.3	4896.1	1.95	Excess consumption is due to late running of trains.
		1761.6	1909.0	8.36	
Erede Shed (Southern Railway)	Pass. Goods } Goods }	7131.0	7191.0	0.9	Excess consumption is due to operating factors.
		3327.0	3351.0	0.7	
Ratlam Shed (Western Railway)	Pass. Goods } Goods }	820	839	2.3	Minor variation.
		746	17	-2.2	

Recommendation

The Audit paragraph brings out that stock verification of coal in loco sheds revealed shortages beyond the permissible limit of 2 per cent involving loss of Rs. 111.45 lakhs on the South Eastern, South Central, North Eastern, Western and North-east Frontier Railways during 1968-69 to 1970-71. Shortages can occur at two stages viz. before and after unloading of coal at the loco sheds. The shortages found on reweighment or test weighment varied between 0.4 per cent and 16.9 per cent. This shows that before the coal wagons are un-loaded at the destination points shortages occur which may be attributable either to pilferage of coal in transit or under-loading of coal in the collieries. It is, therefore, necessary to assess and investigate fully the variation between the invoiced quantity and the quantity determined on stack measurement which at present does not appear to have been done. Once this is done it becomes easier to identify the shortages in the course of custody and issue of coal in the sheds as the same basis of computing weight by measurement would be available for both receipts and issues. Further, there should be no delay in fixing responsibility for the shortages and delays in taking action against those found responsible.

In order to come to a reasonably accurate assessment of shortages the ratios for converting the volume of coal into weight should be scientifically fixed. The Committee note that ratios fixed in August, 1966 were reviewed in 1968 when it was found that those adopted by the various Railways differed very widely and that retrials are being undertaken. The Committee desire that realistic and uniform conversion ratios for various grades of coal should be laid down without delay. The Committee would also suggest that the ratio should be reviewed periodically once in two years in the light of field experience to effect necessary improvements.

[S. Nos. 12 and 13, Paras 3.46 & 3.47 of Appendix V of 79th Report of
PAC (Fifth Lok Sabha)]

Action taken

Assessment of transit losses by volumetric measurements does not give a correct picture on account of the inherent inaccuracies in the bulk density of coal. The entire variation between the invoiced quantity and the receipts as computed by volumetric measurement cannot be taken as transit loss and actual reweighment alone will show the extent of transit losses. This is however, not possible for want of weight-bridges at all destination points. Railways undertake 5 per cent reweighment checks of coal wagons at destination

wherever weighment facilities exist to ascertain the trend of transit losses.

As per extant orders Railways are required to stack the coal before issue. Measurements of such stacks are also recorded. The quantity of receipt as per stack measurement is however not permitted to be taken into books for accountal purposes in view of the errors in estimation. The invoiced weight alone is to be taken as receipt. This also acts as a deterrent against over estimating transit losses.

Due to low coal stock it is not always possible for the Railways to stack all coal before issue to determine the transit losses by finding the variation in the invoiced quantity and receipts as per stack, measurements. Volumetric assessment of receipts in incoming open loco coal wagons before unloading is possible as a sample check. Railways have been advised to record in the books besides invoiced weight of coal receipts, actual volume of the coal received as per measurements of the stacks & sample measurement of incoming wagons and corresponding weight applying the conversion factor. This will make it possible to spot light shortages for remedial action.

Average conversion ratios fixed for different grades of coal produced in different coal fields are used by Railways. Bulk density of coal varies with the grades of coal, coal-field to coalfield and between collieries in the same coalfield for same grade of coal, the percentage of slack and dust content in the particular consignment and the degree of packing. Such being the case, however, accurately the average conversion ratios are fixed and revised frequently, variation cannot be ruled out. The conversion ratios are currently under review and will be advised to the Railways as early as possible. It is proposed to conduct reviews every four years against the two year period suggested by the Committee as the collection and analysis of the data takes considerable time.

[Ministry of Railways (Railway Board) O.M. No. 73-B(C)—PAC/
V/79 (12—14), Dated 10-10-1973, Asvina 18, 1895]

Recommendation

The unusually heavy incidence of discrepancies during 1970-71 has been explained as largely due to introduction of stores computerisation. The position is expected to show improvement as the new procedure gets stabilised and the staff is exposed to the computer discipline. The Committee trust that a careful watch will be kept to ensure that the introduction of computers results in necessary.

improvement in the maintenance of stock accounts. The position will be watched through future Audit Reports.

[S. No. 16, Para 4.8 of 79th Report of P.A.C. (Fifth Lok Sabha)]

Action taken

The observations of the Committee are noted.

[Ministry of Railways (Railway Board) O.M. No. 73-B(C)—PAC/V/79 (15—16), dated 2-11-1973|12, Kartika, 1895]

Recommendation

The conversion of Pune-Miraj M. G. line to B. G. affords a typical example of lack of firm decision regarding the scope of the project and consequent delay in execution which pushed up the cost of the project from Rs. 12.9 crores to Rs 19.33 crores. The project which was expected to be completed in December, 1966 was actually completed in April, 1971. The decisions to change the alignment of the line to pass through the Satara city instead of the Satara road stations and to convert Miraj-Kolhapur section as part of the project were an after-thought. It is significant to note that the diversion of the line was found to be financially unjustified according to an earlier examination. Even now it is stated to be not justified and what is more it means extra lead for through traffic. The Committee further note that the anticipated additional earnings up to the first year of the opening of the line was 'rather unrealistic.' All these show that the project was not conceived properly and justified on the basis of realistic estimates. The Committee would, therefore, like the Railways to learn a lesson so that the conversion of rail lines is undertaken after most careful and objective assessment.

[S. No. 17 Para 5.15 of Appendix V of 79th Report of PAC (Fifth Lok Sabha)]

Action taken

The observations of the Committee are noted.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 73-B(C)—PAC/V/79(17) dated 6-6-73|16 Jyaishta, 1895]

Recommendation

The Committee note that apart from creating traffic facilities on the Guntakal-Dharmavaram-Pakala-Katpadi section at a cost of Rs. 32.38 lakhs in 1961-62, additional facilities were created on the

Villupuram-Katpadi section between 1961 and 1964 at a cost of Rs. 14.81 lakhs to move the anticipated increase in iron ore traffic for export *via* minor ports of Cuddalore and Pondicherry from Bellary-Hospet area. The traffic moved to the minor ports, however, actually dropped from 4.52 lakh tonnes in 1964-65 to 1.99 lakh tonnes in 1966-67. Thereafter the traffic moved was much less. The Committee find that the project estimate costing Rs. 6.58 crores for the construction of the new B. G. line from Hospet to Guntakal for movement of iron ore towards Madras Port was prepared in 1962-63 and the work on the project was completed in January, 1966. They would, therefore, like to know how far the significant reduction in the movement of iron ore to the minor ports was due to the opening of the new B. G. line from Hospet to Guntakal and whether there was any coordinated planning in creating additional capacity on the M. G. lines and the construction of a new B.G. line ostensibly for the same purpose of movement of iron ore.

It is seen that the capacity works on the Villupuram-Katpadi section were undertaken partly to meet the anticipated increase in traffic to Southern Railway following the construction of Khandwa Hingoli link providing all M. G. route from North to South. This anticipation also proved to be unrealistic. The Railway Board have stated that the reasons for the non-materialisation of traffic as anticipated cannot be precisely pinpointed. This is a case where the Railways cannot blame any other department for giving an unrealistic estimate of traffic and it typifies the Railway's own failure. The Committee cannot too strongly stress that the Railway Administration should be circumspected in undertaking capital works of this nature.

[S. Nos. 20 & 21 Paras 5.49 and 5.50 of Appendix V of 79th Report of P.A.C. (Fifth Lok Sabha)]

Action taken

It is true that the Planning for the additional capacity on the Guntakal-Dharmavaram-Katpadi-Villupuram M. G. Section was done in the year 1962-63. The planning for the new B. G. line from Hospet-Guntakal was also done in the same year.

2. As already explained earlier, in November, 1958, STC (M. O. Commerce & Industry) desired that the railway facilities available

on the section from the Hospet-Bellary region to Cuddalore|Pondicherry be expanded to cater to the target of export of iron ore *via* Cuddalore at 250,000 tonnes and Pondicherry at 2.0 lakh tonnes. The additional commitment involved was 1.50 lakh tonnes to Cuddalore and 2.0 lakh tonnes to Pondicherry. Furthermore following the commissioning of the Khandwa-Hingoli M. G. link and the consequent availability of through North South M. G. link in the year 1961, an increase of 50 per cent in the then existing north to South traffic *via* Dronachellam was estimated. As the available line capacity on the Guntakal-Dharmavaram-Katpadi-Villupuram section was not considered adequate to deal with this anticipated increase in traffic certain line capacity works such as additional loops, extension of loops etc. were undertaken.

3. On the other hand while planning for the new B. G. line from Hospet to Guntakal, movement of additional ore traffic of 1.5 million tonnes over Hospet Guntakal-Madras section was taken into account. This ore traffic was to meet the export commitments *via* the Madras Harbour. In 1961-62, i.e. prior to the laying of the Hospet-Guntakal B. G. line the movement of iron ore was about 5.3 lakh tonnes. During 1972, the movement of iron ore on the B. G. route to Madras Harbour was of the order of 2.0 million tonnes. During the 5th Five Year Plan, this movement is expected to go up to about 5.0 million tonnes.

4. It will thus be seen that although both these projects *viz.* augmentation of the capacity on the M. G. Guntakal-Dharmavaram-Katpadi-Villupuram section and the laying of the Hospet-Guntakal B. G. line were planned simultaneously but both of them were justified on completely different counts. It is unfortunate that the traffic on the M. G. section did not come up for various reasons already explained earlier.

The observations of the Committee are noted.

[Ministry of Railways (Railway Board) O.M. No. 73-B(C)—PAC/V/79 (20—21), dated 20-10-1973|28, Asvina, 1895.]

Recommendation

The Committee have been informed that at against a target of 2.5 million tonnes the Singrauli coalfields did not produce any coal

during the Third Plan period. The estimate of 10 million tonnes production at the end of the Fourth Plan does not appear to be based on any project reports. This was scaled down to 4.37 million tonnes and even this has not materialised. The Committee hope that efforts to develop the coalfields will be attended by enhancement of production and utilisation of the railway line constructed for the purpose.

[S. No. 23, Para 5.65 of Appendix V of 79th Report of PAC (Fifth Lok Sabha)]

Action taken

Apārt from completing the Jhingurda mine in the Singrauli coalfield, which was taken up for implementation in the Third Plan, the National Coal Development Corporation took up one more mine for development at Borbi in the same field in the Fourth Five Year Plan. The production expected from this coalfield in the current year is about 2.10 million tonnes, which would be supplied to the linked power stations at Orba and Renusagar.

2. During the Fifth Five Year Plan, the Coal Mines Authority, of which the National Coal Development Corporation has become a subsidiary, has planned to increase the production from Singrauli coalfield to about 7.3 million tonnes by 1978-79. In addition to the existing two mines already mentioned, four more projects will be taken up during the Fifth Plan. The total capacity of all these projects when they are fully completed in the Sixth Plan, would be about 12 million tonnes. Out of the production of 7.3 million tonnes expected in 1978-79, a small quantity would be consumed in the colliery itself and the balance of 7.1 million tonnes would be available for the linked Orba Power Station (1550 MW—about 5.85 million tonnes) and the Renusagar power station (245 MW—1.24 million tonnes). No coal is expected to be available from this field for supply to other consumers, requiring movement over the Singrauli-Katni rail link. The possibility of utilising this line as an additional outlet for Bengal-Bihar coal is under examination.

[Deptt. of Mines. O.M. No. 23(80)/73-CI, dated 22nd Nov. 1973]

Recommendation

An assessment of the railways before December, 1969 revealed that the working of the Singrauli-Katni line would result in loss of about Rs. 1.35 crores annually. There is now stated to be some hope of getting lime stone to be moved from Katni area to Bokaro and some possibility of moving coal from Karanpura and diverting some from Bihar and Bengal going to Western India and to the Northern area along this line. The Committee would urge that these should be examined expeditiously so that the loss on the line may be reduced.

[S. No. 24, Para 5.66 of Appendix V of 79th Report of PAC (Fifth Lok Sabha)]

Action taken

The Ministry of Railways are pursuing the question of better utilisation of the Singrauli-Katni branch line. This section was opened for Goods traffic in February' 72 and from some stations situated on this section outward traffic in lime stone, charcoal and forest produce is being offered. The traffic offering on this section and being cleared is showing an upward trend as would be seen from the figures of loading during the years 1972-73 and 1973-74 (upto August' 73) given below:

Year	No. of wagons loaded (in terms of four-wheelers)	Monthly Average
1972-73	691	57.6
1973-74 (upto Aug'73)	390	78

2. Messrs Bokaro Steel Limited has submitted a proposal for the construction of a Siding from Khanna Banjari station on this section to their lime stone quarries nearby. This proposal is under examination and a final decision is expected to be taken shortly.

3. Proposals are also in hand to divert some coal traffic from the Karanpura coalfields to Western India destinations via this line. This will, however, involve a revision of the existing rationalisation

scheme for the movement of coal and will also require provision of additional locomotives and staff for carrying this traffic over this section. This aspect is also under examination and it is expected that diversion of some coal traffic via this route will be arranged shortly.

4. Apart from the originating traffic offering from this section as indicated in para 1 above, there is also traffic in bauxite from Katni and Sahdol areas to the Hindustan Aluminium Corporation Limited at Renukoot. This route provides a shorter route for this traffic than that via Chheoki over which this traffic was moving earlier.

5. It is expected that the traffic offering from the stations on this new line will also develop. With the increased loading expected to materialise from the stations on this section and also diversion of some of the traffic which is under consideration, it should be possible for the Railways to reduce the losses on this line.

[Ministry of Railways (Railway Board) O.M. No. 73/BC/PAC/V/79 (22—24), dated 6-11-1973/15, Kartika, 1895]

Recommendation

The Committee are unable to appreciate the delay in standardising the drawings for 22.9 tonne solid wheel set the use of it having been decided in 1962. The explanation that it has not been done owing to the fact that indigenous production has not started is not convincing. Since in the absence of indigenous availability, such wheelsets were being imported, there was no justification for keeping the standardising work in abeyance. While the Committee expect that this should be done forthwith, they desire that Railway Board should see that there is no such delay in future.

[S. No. 27, Para 6.14 of Appendix V to 79th Report of PAC (Fifth Lok Sabha)]

Action taken

It is submitted that solid wheelsets procured against two previous contracts were delivered by the end of 1964 and Feb. 1967 respectively. A great deal of study with regard to wearing characteristics of these wheelsets, behaviour of track and track fittings was necessary before these solid wheelsets could be adopted as a positive standard. Such a study to be based on factual performance data by its very nature normally takes 4 to 5 years. Keeping in mind that RDSO has already notified adoption of those wheelsets as standard in June 1972 and also that they are engaged in several wide ranging studies, it may be submitted that the time taken by the RDSO to standardise

these items may not be deemed as excessive. The Committee's observation that there should be no such delay are noted.

[Ministry of Railways (Railway Board) O.M. No. 73-B(C)-PAC|V|79 (25—27) dated 31-10-1973|9, Kartika, 1895.]

Recommendation

The Audit Paragraph brings out the issue of proprietary certificate in favour of a foreign firm for purchase of carbon brushes required for maintenance of electric locomotives on single tender basis without exploring other sources of availability and the resultant extra foreign exchange expenditure of about Rs. 0.48 lakh. That the foreign firm was in fact procuring the carbon brushes from a French firm and supplying to the Railways and that indigenous production was already established with the technical guidance from the latter did not regretably come to notice till their representatives met the Railway officials in February, 1970. The plea of the Railway Board that no attempt was made to locate alternative source as there was difficulty about the availability of brushes from the original source is totally unacceptable. The question is not really whether there is difficulty in procuring them from the original source but is one of getting them at the rates favourable to the Railways. The Committee cannot appreciate the practice of classifying an item as proprietary as a matter of routine. The Committee trust that in future the indenting Railways, before suggesting proprietary purchases, would locate alternative sources, if any, and the Railway Board would also explore the possibility through Railway Advisers abroad so as to procure the requisite stores at most competitive rates.

[S. No. 28, Para 6.27 of 79th Report of PAC (Fifth Lok Sabha)]

Action taken

The observations of the Committee are noted and the same have also been brought to the notice of the Railways *vide* Board's letter No. 73-BC-PAC|V|79(28) dated 21-6-1973 (Annexure).

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 73-BC-PAC|V|79 (28) dated 25-7-73|3 Śravana, 1895.]

ANNEXURE

GOVERNMENT OF INDIA
 MINISTRY OF RAILWAYS
 (RAILWAY BOARD)

No. 73-BC-PAC|V|7|79(28)

New Delhi Dt. 21-6-73

Jyaistha 31, 1895.

The General Managers,
 All Indian Railways,
 CLW, DLW, ICF.

The Chief Administrative Officers,
 Metropolitan Transport Project,
 Madras, Bombay and Delhi.

The General Manager,
 M.T.P.
 Calcutta.

SUBJECT: *PAC's Recommendation S. No. 28 contained in Para 6.27 of their 79th Report (1972-73) on para 17 of C&AG's Report on Railways for 1970-71—Purchase of carbon brushes from a foreign firm on single tender basis without exploring alternative sources.*

A case has been reported in the C&AG's Report on Railways for 1970-71 in which a contract was awarded to a foreign firm on single tender basis in June 1968 for supply of carbon brushes for maintenance of electric locomotives treating it as a proprietary item of the foreign firm. Subsequently, it was revealed in Feb. 1970 that the carbon brushes were available for direct import from the sub-contractor to the foreign firm at a much lower price and this fact was also known to the railways who were obtaining carbon brushes indigenously from certain firms who imported the raw material from the sub-contractor. The purchase of the carbon brushes from the foreign firm in June 1968 without exploring alternative sources, therefore, led to an extra expenditure involving foreign exchange. In this connection the Public Accounts Committee have made the following observations in their 70th Report (1972-73):

"6.27. The Audit paragraph brings out the issue of proprietary certificate in favour of a foreign firm for purchase of carbon brushes required for maintenance of electric locomotive on single tender basis without exploring other sources of availability and the resultant extra foreign exchange ex-

penditure of about Rs. 0.48 Lakh. That the foreign firm was in fact procuring the carbon brushes from a Fresh firm and supplying to the Railways and that indigenous production was already established with the technical guidance from the latter did not regrettably come to notice till their representatives met the Railway officials in February, 1970. The plea of the Railway Board that no attempt was made to locate alternative source as there was no difficulty about the availability of brushes from the original source is totally unacceptable. The question is not really whether there is difficulty in procuring them from the original source but is one of getting them at the rates favourable to the Railways. The Committee cannot appreciate the practice of classifying an item as proprietary as a matter of routine. The Committee trust that in future the indenting Railways, before suggesting proprietary purchases, would locate alternative sources, if any, and the Railway Board would also explore the possibility through Railway Advisers abroad so as to procure the requisite stores at most competitive rates."

The Board desire that the above observations of the Committee should be carefully noted and it should be ensured that in all future purchases of stores from foreign firms, necessary prior investigations are carried out to locate cheaper alternative sources before issuing a proprietary certificate in favour of foreign firms. The power to issue of such proprietary certificates should in such cases rest invariably with officers not below Deputy Head of the Departments.

Please acknowledge receipt.

(G. P. DODOJA)

Jt. Director, Electrical Engg.

DA/Nil.

(Traction) Railway Board.

No. 73-BC-PAC/V/79(28)

New Delhi, Dated 21-6-1973.

Copy to:—

- (1) ADAI (Rlys.), New Delhi (with 45 spares).
- (2) Electrical, RS(F)I, RS(F)II, RS(G), RS(Sig), RS(WTA), RS(B), RS(I), RS(S), RS(Tech.)D, RS(Tech.), RS Warranty Cell, M(N), M(C), M(L), M(M&P), Dev. Cell, Wheel & Axle Plant Cell, M(W), M(P)? RE(E), RE(S),

+F(Loans), F(Ex), F(S)I, F(S)II, F(S)III, F(X)I,
F(X)II, & Trach Branches.

Recommendation

During the period 1967-68 to 1970-71 rates higher than those allowed to firms located around Calcutta were allowed by the Railways for the fabrication of CI sleepers to two sleeper manufacturers in the Delhi region causing additional expenditure of Rs. 10 lakhs. The justification given that the Railways had a freight advantage calculated at the public tariff rates lacks force. The Railways apply what is called RMC rate which takes into account only the direct costs for the movement of their own material. That this rate will apply only if both the consignor and the consignee happen to be Railways does not appeal to the Committee as the raw material for the fabrication of sleepers are supplied at the RMC rates and the sleepers are solely for railway use. Further no revenue earning freight was likely to be displaced by the transport of C.I. sleepers from Calcutta. In view of this the Committee cannot but conclude that the Railways have not safeguarded their interest well. The Committee would suggest that in future while calculating price advantages the freight element should be calculated only at the RMC rates provided there is adequate line capacity to haul the material from the distant place.

[S. No. 29, Para 6.54 of Appendix V of 79th Report of
PAC (Fifth Lok Sabha)]

Action taken

The observation of the Committee insofar as the procurement of C.I. sleepers is concerned is noted. In regard to general procurement, it is not possible to accept Committee's recommendations for the following reasons:—

SI, hmzzTm

- (a) It will involve reference to Traffic Department in numerous cases.
- (b) A tender may involve more than one despatching station and more than one consignee station. Line capacity will then have to be ascertained from the various despatching stations to the various consignee stations in respect of that tender.
- (c) As line capacity may vary station to station in the same tender, it may happen that adequate line capacity may be available between some set of stations and may not be available for some other set of stations. This would mean

that RMC rate would have to be taken for calculations for some stations and some other rate for some other stations. In view of this, calculations and comparisons are likely to become cumbersome and confusing.

- (d) Line capacity may vary from season to season on the same route. As delivery of supplies against a tender may be spread over a period of time, the position with regard to adequate availability or otherwise of line capacity may vary during that period. Line capacity may also vary depending on execution of line capacity works from time to time. It may also vary according to Commodities or other constraints like temporary traffic restrictions, availability of wagons of a particular type, etc.
- (e) Even assuming that in a particular case adequate line capacity is not available, the other revenue earning traffic that may be displaced may be high-rated or low-rated as compared to the material being ordered and, therefore, a precise assessment of the situation with regard to the comparison of prices does not seem to be feasible.

[Ministry of Railways (Railway Board) O.M. No. 73-BC-PAC|V|79 (29), dated 20-10-1973|28 Asvira, 1895.]

Recommendation

Bronze borings emanating in the Railway Workshops are got converted by the Railway through the agency of contractors into Railway Bronze Ingots to the specifications prescribed by the Indian Standards Institution. The Audit paragraph brings out two cases of cancellation of tenders received in October|November, 1969 and re-invitation of tenders which resulted in an extra expenditure of about Rs. 1.4 lakhs. This was primarily due to the fact that the Tender Committee was not aware that the validity of an emergency amendment to specification issued by the Indian Standards Institution, which had the effect of raising the limit of impurity in the alloy to enable the maximum use of scrap, expired on 10th January, 1968. The circular dated 7th November, 1967 of the RDSO in this regard is reported to have been obviously lost sight of. The Committee would also like to know whether there have been other similar lapses in the Central Railway and in other Zonal Railways.

The Committee understand that the emergency amendment did not lay down any period for which it was applicable. Although the RDSO's circular dated 7th November, 1967 indicated that the amendment had been adopted for the period of emergency only and the

emergency was lifted on 10th January, 1968, it was only on 21st July, 1970 that the RDSO specifically indicated that the amendment ceased to have any more validity. In view of what has happened in the cases referred to in the foregoing paragraph, the Committee would like the Railway Board to consider rationalising the procedure for notifying such amendments to place matters beyond doubt.

[S. Nos. 32 & 33. Paras 6.91 & 6.92 of 79th Report of
PAC (Fifth Lok Sabha)]

Action taken

The observations of the Committee are noted. The Committee are advised that except for two isolated cases one each on the Southern and South Central Railways, there have been no other cases of acceptance of tenders to the emergency amendment 2E of 1966. These cases, however, did not involve any extra expenditure in retendering.

The specification section of the Research Design & Standards Organisation deals with the adoption of nearly 6,000 I.S.I. Specification, their revision and amendments and also the revision and amendments to the various high I.R.S. specifications. Processing of these cases have to be done very carefully. The R.D.S.O. notify the adoption, modification or cancellation of I.R.S. and I.S.I. specifications through their monthly notification and quarterly notifications. The procedure being followed by the R.D.S.O. in notifying the adoption or modification of I.S.I. specification for railways use is considered as satisfactory. In this case there has been no failure on the part of the R.D.S.O. but the failure has been on the part of the railways in maintaining their specifications upto date in accordance with the notifications issued from time to time by the R.D.S.O. The railways have, therefore, been asked to be more careful in maintaining their list of approved specifications upto date with reference to the circulars issued by the R.D.S.O.

This has been seen by Audit, who have stated that the position has been verified only by the Chief Auditors, Central, Eastern, Southern and South Central Railways. Therefore the matter has been referred to other Chief Auditors for verification.

[Ministry of Railways (Railway Board) O.M. No. 73-BC-PAC|V|79
(32-33) dated 28-9-1973|6 Asvina, 1895.]

Recommendation

In the 11th Report (Fifth Lok Sabha), the Committee took note of the shortfall in the utilisation of the installed capacity of the

steel foundry at the Chittaranjan Locomotive Works. This Audit paragraph brings out unsatisfactory utilisation of the spare capacity. Although all the 5 items of steel castings ordered for by the Integral Coach Factory should have been supplied by September, 1968, 52 per cent of one of the items and 32 per cent of another remained to be supplied at the end of December, 1972. This does little credit to the foundry. That there were heavy rejections in all the items supplied which were as high as 100 per cent in respect of one item and that the defective supplies are yet to be rectified make it still worse. Further, as against Rs. 8.15 lakhs recoverable from the Integral Coach Factory for the supplies made the loss incurred worked out to Rs. 5.21 lakhs excluding rectification charges and freight. Thus what was a case of non-utilisation of the full capacity has become one of highly unsatisfactory utilisation. The Committee therefore desire that the working of steel foundry of the Chittaranjan Locomotive Works should be thoroughly investigated so as to take remedial measures to not only fully utilise the capacity but also to utilise it efficiently and economically.

[S. No. 34, Para 7.14 of 79th Report of P.A.C.—(Fifth Lok Sabha)]

Action taken

The Committee's observation regarding efficient and economic utilisation of the capacity in the Steel Foundry at Chittaranjan Locomotive Works has been noted.

Out of the 5 orders for steel castings placed by the Integral Coach Factory on Steel Foundry, Chittaranjan, 2 have since been disposed of and action regarding the balance 3 orders is being expedited after rectification etc. It may, however, be pointed out that the orders and the rejectible castings for Integral Coach Factory made by Chittaranjan Locomotive Works represent a low percentage of production capacity of the Steel Foundry at Chittaranjan. Further, consequent upon tapering down of the production of steam locomotives the product mix of castings changed, requiring Steel Foundry, Chittaranjan to take on more intricate castings requiring higher manhours.

As regards the utilisation of the capacity of the Steel Foundry fully, the matter has already been examined on detail. In this connection attention is invited to the detailed reply submitted by this Ministry on 8-6-1973 to the Committee's observations made in paras 3.57 and 3.58 of their 11th Report (Fifth Lok Sabha).

[Ministry of Railways (Railway Board) O.M. No. 73-B(C)—PAC/V|79(34), dated 31-10-1973|9 Kartika, 1895.]

Recommendation

The Committee would like to know whether there have been similar encroachments in South-Eastern Railway and other Zonal Railways. In view of what has happened in the case referred to in the foregoing paragraph, the Committee feel that there should be greater vigilance on the part of the departmental machinery in clearly demarcating the railway lands and verifying the boundaries periodically.

[S. No. 36, para 8.15 of 79th Report of P.A.C. (Fifth Lok Sabha)]

Action taken

The Committee's observations that there should be greater vigilance on the part of the departmental machinery in clearly demarcating the railway lands and verifying the boundaries periodically are noted and the same have also been brought to the notice of the Railways.

As regards Committee's enquiry about similar cases on South Eastern Railway and other Zonal Railways in which railway lands were not demarcated and encroachments remained detected for a long time, it has been ascertained that there have been 11 cases on all the Railways where there was some interval between the encroachment and the detection by the Railways. In all these cases, the boundaries have been demarcated. Necessary legal action is in progress for the eviction of unauthorised occupants or regularisation.

This has been seen by Audit who have stated that the factual position is under verification by Chief Auditors of the Railways.

[Ministry of Railways (Railway Board) O.M. No. 73-B(C)—PAC|
V|79(35-36) dated 28-9-1973|6 Asvina, 1895.]

Recommendation

The Committee have not considered it necessary to make specific recommendations|observations on some of the paragraphs included in the Report of the Comptroller & Auditor General of India. They nevertheless trust that the Railway Board will take such action as may be necessary in respect of such paragraphs, in consultation with Audit.

[S. No. 41, Para 9.18 of 79th Report of P.A.C. (Fifth Lok Sabha)]

Action taken

The observations of the Committee are noted. The line of action required to be taken in each of these cases was discussed with Audit and in the light of those discussions, necessary action has been, or is being, taken. -

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 73-B(C)—PAC/
V/79(41) dated 28-9-1973/6 Asvina, 1895.]

CHAPTER III

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

Recommendation

The Committee note that a departmental committee appointed to go into the question of excessive consumption of fuel on the Eastern Railway have recommended that trip rations of fuel should be fixed on the basis of gross tonne kms. or engine Kms. and that analysis of variation in consumption over the trip ration should be analysed monthly or quarterly. The action taken to implement these recommendations on all the Zonal Railways may be reported to the Committee.

[S. No. 11, Para 3.31 of 79th Report of PAC (Fifth Lok Sabha)]

Action taken

The Committee recommended theoretical calculation of trip rations on the basis of either engine kilometres or GTKms so as to devise a uniform formula applicable all over the Indian Railways, rather than fixing the ration for each service separately for each trip/division/railway. These recommendations of the departmental Committee have been examined in consultation with the Zonal Railways and the methodology suggested by the Committee is not workable on account of the various factors, a few of the important ones are enlisted below:—

- (a) Each section has operating features peculiar to itself e.g. sighting of the signals, gradients, curves, engineering speed restrictions, wind pressure, composition of the trailing load, etc.
- (b) Terminal detentions and shed detentions in various yards and intermediate points vary and would not be possible to be covered by the GTKm formula.
- (c) For smaller sections, the GTKm/EKm earned would be much less as compared to longer sections but the shed any yard consumption of fuel would be the same for trains starting from the same yard and, therefore, it will

not be possible to link up the consumption to GTKm/EKm only, because starting and terminal consumptions are a part of the service consumption.

- (d) The empty wagons earn lesser GTKm as compared to loaded wagons but the fuel consumption is not proportionate to GTKms in the two cases and the resistance of the train would vary according to its composition i.e. Box wagons, four-wheelers, covered, empties and this resistance is not directly proportionate to the weight of the train.

The majority of the railways are not in favour of accepting the recommendations made by the Committee of the Eastern Railway. The present procedure is to fix trip rations by taking actual trials on different sections with varying loads. This is a practical procedure capable of easy implementation and it is easier to pin-point and analyse the causes for excess consumption. The Board are, therefore, not in favour of changing the existing practice.

[Ministry of Railways (Railway Board) O.M. No. 73-B(C)-PAC/V/79(9-11) dated 23-10-1973/Kartika, 1895.]

Recommendation

The Committee have been informed that the tender schedules prepared by the RDSO are not scrutinised in the Board as the RDSO themselves initiate latest modifications to drawings and specifications. Considering the lapse in this case, the Committee are of the view that there is a need for some system of cross-check in order to safeguard the financial interest of Railways. Action taken in this regard may be reported to them.

[S. No. 26, Para 6.13 of Appendix V of 79th Report of PAC (Fifth Lok Sabha)]

Action Taken

RDSO is the attached Technical Wing of the Railway Board. All technical records, like drawings, specifications and other background papers are kept upto date by that office and, therefore, further scrutiny of their technical work in the Railway Board's office would mean setting up of another parallel organisation which would mean additional expenditure. Broad scrutiny of the recommendations are however made in the Board's office.

[Ministry of Railways (Railway Board) O.M. No. 73-B(C)-PAC/V/79 (25-27) dated 31-10-1973/9 Kartika 1895]

CHAPTER IV

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

Recommendation

What worries the Committee more is the admitted lack of capacity of Railways to handle the traffic which can only be attributed to unplanned capital investments on Railways so far. A systematic study of restrictions imposed for lack of capacity in stations/sections and transshipment points should serve as a guide for taking up the essential works for execution on a priority basis to remove these bottlenecks. The action taken in this regard may be reported to the Committee.

[S. No. 4, Para 2.21 of Appendix V of 79th Report of PAC (Fifth Lok Sabha)]

Action Taken

The normal free time allowed for loading or unloading of goods in from a wagon is now 5 hours which is considered reasonable and no reduction thereof is contemplated.

In regard to Committee's observations that "the admitted lack of capacity of railways to handle the traffic which can only be attributed to unplanned capital investment on railways so far" it is submitted that this conclusion is not justified.

Planning for and provisions of additional capacity on the Indian Railways on different sections is based primarily on the estimates of anticipated traffic as given by the various Ministries and duly approved by the Planning Commission. All capital investments on the Indian Railways are, therefore, designed to comply with the targets for movement set before them by the Planning Commission. In a developing economy, however, the possibility of certain sectors of economy not coming up to the expectations cannot be ruled out. As a result, there may be some sections where the anticipated traffic for which additional facilities have been provided by the Railways has not actually materialised while, on some other sections, traffic has developed beyond the anticipations. Such cases, though a few in number, are obviously beyond the Railways' control. It is, therefore, submitted that it would not be correct to say

that lack of capacity to handle traffic on certain sections is attributable to unplanned capital investments on the Railway.

Planning of capacity for the maximum traffic that might offer for a limited duration of time in a year would entail prohibitive investment on the one hand and idling of capacity during major part of the year on the other. That is why line and terminal capacity works are planned for traffic required to be handled on a sustained basis with some allowance for fluctuations and not the maximum traffic that may be offering for short spells only.

Occasional and sudden spurt in traffic—quantum as well as pattern—is regulated by imposition of temporary restrictions to somewhat even out the movement. Likewise, no planning can take into account interruption to communication due to unforeseen causes like floods, breaches, accidents, civil disturbances and labour trouble etc. and in order to avoid congestion, temporary regulation of traffic becomes inevitable. Again, in order to meet obligations in national emergencies like war, drought, etc., defence and relief traffic has to be given top-most priority and less important traffic has to be regulated by imposition of suitable restrictions.

In a wide network of about 60,000 route kms and having over 7000 stations, it is difficult to ensure smooth operation all the time all over unless sufficient cushion in capacity is provided by planning resources much in excess of the requirement for movement of traffic on a regular and sustained basis which we can ill-afford on account of obvious financial and physical constraints. What is material is not the number of days on the entire network but for how many days in the year a particular stream of traffic was restricted. Such an analysis will show that the incidence of restrictions on individual streams of traffic is not much and that even such restrictions are by and large due to unforeseen reasons and cannot be attributed to unplanned development of capacity.

[Ministry of Railways (Railway Board) O.M. No. 73-BC-PAC/
V/79 (2—6) dated 23-10-1978] [Kartika, 1895]

Recommendation

The non-utilisation of the capacity created for the movement of boulders to the Tuticorin Harbour Project is a typical instance where the Railways were given an incorrect forecast of traffic by the user Ministry. The Committee cannot appreciate as to why the Railways did not subject the anticipations of the Ministry of Transport to a close scrutiny before deciding upon investment of the order of

Rs. 11.50 lakhs on an urgency basis. The Project has also involved investment of a sum of about Rs. 13 lakhs on Railways siding etc. As against the estimated movement of 3 million tonnes of boulders by rail commencing from 1st July, 1965, the quantity moved during seven years ended 31st March, 1972 was a mere 0.59 million tonnes. This was explained as due to delay in sanctioning the Harbour Project as a whole. Thus the rail facilities were provided without ensuring integrated execution of the Project as a whole. It is surprising how the Ministry of Transport and Shipping could give indication regarding the transport requirement prematurely which led to unnecessary creation of traffic capacity. Such a casual approach to investment of public money cannot but be deprecated by the Committee. The whole matter, therefore, requires investigation to obviate recurrence.

Another matter causing serious concern is that having indicated that the entire traffic would be moved by rail, the Harbour Project had allowed diversion to road. How considerable was this diversion can be seen from the fact that a quantity of 1.57 lakhs tonnes of boulders were moved by road from Ambasamudram to Tuticorin Harbour Project during 1969-70 and 1970-71 as against rail movement of 2.34 lakh tonnes. The plea that the road transport is cheaper cannot be accepted in the absence of economics of the rail and road transports having been worked out and in view of the lower rates quoted by the contractor for movement by rail. The Committee, therefore, desire that the Ministries of Railways and Transport and Shipping should go into this question in detail and inform the Committee of the steps taken to ensure that the rail capacity created specifically for carrying materials for the harbour is being put to effective use.

[S. Nos. 18 and 19, paras 5.34 and 5.35 Appendix of V of 79th Report of the PAC (5th Lok Sabha)]

Action taken

When the scheme for development of Tuticorin Harbour as a major port was drawn in 1963 it was envisaged that for armouring the breakwaters, about 3 million tonnes of stones each weighing 3 to 8 tonnes would have to be brought to the harbour site from Ambasamudram. On this basis, the Southern Railway was asked to provide the necessary siding facilities as well as the capacity works for moving the stones.

When the layout of the harbour, cross section of breakwaters etc. were finalised later by model studies in the Central Water and

Power Research Station, Poona, a detailed project estimate was worked out in November 1964 according to which the quantity of armoured stones to be moved from Ambasamudram was estimated at 1.75 million tonnes.

In accordance with the revised estimates for the movement of stones, the quantity conveyed by rail and road are furnished below:

Total estimated requirement of armour stones for the project (Revised)	18.00 lakh tonnes.
Quantity of Boulders moved by rail upto 20-10-1973	8.08 lakh tonnes.
Quantity of Boulders further expected to be moved by rail upto end of Project	4.65 lakh tonnes.

In regard to the more intensive utilisation of the rail capacity created specifically for carrying materials for the harbour, it is submitted that it has since been decided that in addition to utilising rail facilities for movement of armour for the construction of South and North Breakwaters, certain quantities of metal and spalls required for the casting of cement concrete blocks would also be moved by rail. Already, after June, 1973, 70 tonnes of X tonnes, 3,004 tonnes of spalls and 758 tonnes of stone metal have been moved by rail.

[Ministry of Shipping and Transport (Transport Wing) O.M. No. 34-PDII(19)72, dt. 23rd Nov. 1973]

When the scheme for development of Tuticorin Harbour as a major port was drawn up in 1963 it was envisaged that for armouring the breakwaters, about 3 million tonnes of stones each weighing 3 tonnes would have to be brought to the harbour site from Ambasamudram. On this basis, the Southern Railway was asked to provide the necessary siding facilities as well as line capacity works for moving the stones.

2. When the layout of the harbour cross section of breakwaters etc. were finalised later by model studies in the Central Water and Power Research Station, Poona, a detailed project estimate was worked out in November 1964 according to which the quantity of armoured stones to be moved from Ambasamudram was estimated at 1.75 million tonnes. In regard to investment by the Southern Railway, it is submitted that it has already been brought out earlier that the forecast of traffic was discussed at various levels and was finally confirmed by the Ministry of Shipping & Transport. The

Project authorities had also undertaken heavy investment on developing siding facilities to facilitate loading of the projected traffic. It had also been confirmed that transport by rail way expected to be cheaper than by road. There is nothing further that the Railways could have done to satisfy themselves about the materialisation of traffic.

3. The planning for railways development has to fit in with the overall planning of country's development, as they provide the necessary infrastructure therefor. When another wing of the Government, in this particular case the Ministry of Shipping and Transport, takes up a Project and desires transport facilities for the same, that Ministry alone is competent to project the traffic that would require rail Transport and the Railways do not have the expertise to question such a forecast. This is particularly true when the Project authorities themselves had invested a sum, larger than that invested by Railways for development of facilities for rail transport. On the other hand, had the Railways not provided for the facilities, and the traffic had materialised as per forecast, the lack of rail transport would have held up the execution of the Project.

4. In such cases, Railways have no choice but to be prepared to handle the projected level of traffic and if that fails to materialise, the concerned Ministry, which initially gave the forecast, has necessarily to shoulder the responsibility.

5. The Ministry of Shipping & Transport are being once again requested to ensure fuller utilisation of the capacity created specifically for carrying the traffic for the Harbour.

[Ministry of Shipping and Transport (Transport Wing) O.M. No. 73|B|(C)|PAC|V|79 (18-19), 2nd Nov. 1973|11 Kartika 1895].

Recommendation

The Committee note that pursuance to a policy decision taken by the Railway Board both solid wheels capable of being tyred and composite wheels (built-up wheels) were to be accepted depending upon the price advantage for carriage and wagons. It is regrettable that the permissible alternatives were not included in the schedule of requirements for the global tender floated in June, 1970 for procurement of 22.9 tonnes plain bearing wheel sets. This omission and the consequent need for re-tendering compelled the Railways to pay higher prices. The RDSO are stated to have furnished the specification for built-up wheelsets only, overlooking, their sketch for wheelsets with solid wheels. The Committee consider this to be a costly slip especially in view of the fact that the RDSO sketch for

solid wheels was prepared as early as 1962 and solid wheelsets were in fact procured and used earlier. The Committee trusts that responsibility for the lapse will be fixed.

[S. No. 25, Para 6.12 of Appendix V to 79th Report of PAC (Fifth Lok Sabha)].

Action taken

It will be appreciated that at the point of time when tender schedules of GP-56 were being scrutinised in RDSO in late 1970, only composite (built up) wheelset was the approved standard and solid wheelsets to RDSO sketch were under observation. Since the accepted practice is to invite tenders for the approved standard items only, composite wheelsets alone were shown in the tender schedule. The fact that solid wheelsets had been twice procured in the past was known to the suppliers and they were not precluded from submitting to this alternative. It is, however, submitted that RDSO deals with a large variety of items and in each item there are complex problems and hence may lead to delay inadvertently. Considering the circumstances of the case, the Railway Board would submit that the omission on the part of the RDSO, to include the alternative specification should not be treated as a failure requiring fixation of responsibility.

[Ministry of Railways (Railway Board) O.M. No. 73-B(C)-PAC/V/79 (25—27) dated 31-10-73/9 Kartika 1895].

CHAPTER V

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

Recommendation

In large sheds there should be proper arrangement for weighing on receipt and issue of coal.

[S. No. 14, Para 3.48 of 79th Report of Public Accounts Committee (Fifth Lok Sabha)].

Action Taken

There are at present no weighbridges in the loco sheds to undertake weighing of coal wagons and locomotives. The proposal for having all incoming coal wagons and issues weighed at major sheds has to be considered in the light of the following:

- (i) Installation of weighbridges of heavy capacity capable of weighing of locomotives before and after coaling would involve heavy capital outlay and recurring expenditure for their maintenance and operation.
- (ii) Steam locomotive consumes coal and water even while it is stationary. Consequently, the difference between the weights of locomotive before and after coaling would not give correct weight of coal issued as some coal and water in the tender would have been consumed during the interval.
- (iii) It affects turn-round of engines by causing extra detentions for weighing.

The availability/possibility of manufacturing the heavy capacity weighbridges, the financial implications and operational difficulties to be encountered will have to be gone into in detail. For this purpose a departmental committee has been constituted to suggest how best the recommendation can be implemented. Further action will be taken in the light of the report submitted by the Committee.

[Ministry of Railways (Railway Board) O.M. No. 73-B(C)-PAC/V/79 (12—14), Dated 10-10-1973|Asvina 18, 1995].

Recommendation

The Committee are concerned to note considerable discrepancies in inventory records. As against total transactions amounting to Rs. 564.86 crores, Rs. 563.75 crores and Rs. 604.84 crores during 1968-69, 1969-70 and 1970-71, stock verification revealed surpluses aggregating Rs. 2.80 crores, Rs. 3.52 crores and Rs. 7.83 crores and shortages aggregating Rs. 3.71 crores, Rs. 3.02 crores and Rs. 6.71 crores respectively. Thus unsatisfactory maintenance of the stores records for receipt, custody and issue of stores and inventories is clearly indicated. Only a thorough investigation of the discrepancies will reveal the nature of accounting irregularities and the extent of actual losses due to pilferage etc. The Committee would, therefore, stress that these should be investigated promptly and results intimated to them.

[S. No. 15 Para 4.7 of 79th Report of the P.A.C. (Fifth Lok Sabha)].

Action taken

The observations of the Committee are noted. The Railways have been instructed to investigate the surpluses and shortages for 1971-72 and 1972-73 and intimate the result. The Committee will be advised of the outcome of the investigation in due course.

[Ministry of Railways (Railway Board) O.M. No. 73-B(C)-PAC/V/79 (15-16), dated 2-11-1973|12, Kartika, 1895].

Recommendation

The railway line to provide an outlet for Singrauli coalfields towards Katni was included in the Third Plan against the provision of 200 miles required in connection with the development of coal industry. The national Coal Development Corporation is stated to have indicated in June, 1960 that the future plans for the Singrauli coalfield was to feed the consumers in Central and Western India from this source. Further development of mines to 10 million tonnes level was expected by the Fourth Plan by which time the Singrauli-Katni line was also scheduled for completion. It was on this basis that the line was sanctioned in December, 1962. However, on 16th August, 1962, the Ministry of Mines are stated to have informed the Planning Commission that they were not in favour of including Singrauli-Katni line against the Third Plan provision. Unfortunately this letter did not come to the notice of the Railways until November, 1967. The Committee have been given to understand that the construction of the line was considered by a Committee of Cabinet (Economic Coordination) on 18th August, 1962.

The Committee have not been made aware of the exact consideration that weighed with the Cabinet Committee and the date before them in deciding upon the construction of the line. They would also like to know whether the objections of the Ministry of Mines were brought to the notice of the Cabinet Committee at any time.

[S. No. 22, Para 5.64 of Appendix V of 79th Report of PAC (Fifth Lok Sabha).]

Action taken

The observations of the Committee are noted.

As regards Committee's enquiry regarding the exact consideration that weighed with the Cabinet Committee in deciding upon the construction of the Singrauli-Katni line and whether the objections of the Ministry of Mines were brought to the notice of the Cabinet Committee at any time, it is submitted that the matter was referred to the Planning Commission and the Cabinet Secretariat. The Planning Commission have stated that their file on the subject was destroyed in December 1971 and they are not in a position to clarify whether any action was taken to inform the Cabinet Committee. However, the matter is still under consideration in consultation with Cabinet Secretariat.

[Ministry of Railways (Railway Board) O.M. No. 73-B(C)-PAC/V/79(22—24). Dated 7-11-1973/16, Kartika, 1895.]

Recommendation

From the explanations given the Committee are convinced that there is a case for increasing the utilisation of Railway scrap beyond 50 per cent in the manufacture of C.I. sleepers through contractors in substitution of pig iron which would result in savings in view of the large availability of scrap and considerable price differential between pig iron and scrap after the decontrol of the former in 1965. The Committee, however, note that the matter is under examination by a Foundry expert. His recommendation in this behalf and the action taken may be reported to the Committee.

The Committee have been informed that no inspection is done at the manufacturing stage to find out the proportion of the scrap actually used. Further, no test to bring out the chemical composition of the final product is conducted. As the pig iron supplied to the sleeper manufacturers by the steel plants during the period 1967-68 and 1968-69 was far below their requirement, it is not possible to rule out use of cheaper scrap in greater proportion than allowed. The Committee would, therefore, suggest that a satisfactory

chemical test or in the alternative an inspection at the manufacturing stage should be provided for to guard against use of sub-standard scrap in greater proportion.

[S. Nos. 30 & 31, Paras 6.83 and 6.84 of Appendix V of 79th Report of PAC (Fifth Lok Sabha).]

Action taken

The matter regarding utilisation of railway scrap beyond 50 per cent in the manufacture of C.I. sleepers is still under examination of Mr. Sandell, a Foundry Expert. He has promised to forward his recommendation soon. As soon as the recommendations are received the matter will be examined by the Board and action taken would be reported to the Committee.

Regarding inspection at the manufacturing stage to guard against the use of sub-standard scrap in greater proportion, the matter has been referred to the Inspection wing of DGS&D. After receipt of comments of DGS&D (Inspection Wing) the matter will be examined; further action taken will be reported to the Committee in due course.

[Ministry of Railways (Railway Board) O.M. No. 73-BC-PAC/V/79 (30-31) dated 30-10-1973/8, Kartika, 1895].

Recommendation

The Committee find that 2.05 lakh sq. ft. of Railway land at Burnpur (South-Eastern Railway) were encroached upon by two private firms since 1937, according to their admission and that the encroachment was detected by the Railway Administration in 1956/1957. The Committee further find that eviction cases have been filed before the Estate Officer recently. As the matter is sub-judice, the Committee do not wish to make any comment at this stage. The outcome of the cases may be reported to them in due course.

[S. No. 35, Para 8.14 of Appendix V of 79th Report of P.A.C. (Fifth Lok Sabha).]

Action taken

Both the eviction cases are still pending before the Estate Officer. The outcome of the cases will be advised to the Committee as soon as these are finalised.

[Ministry of Railways (Railway Board) O.M. No. 73-BC-PAC/V/79 (35-36) dated 28-9-1973/6, Asvina, 1895]

Recommendation

The Committee regret the delay in determining the value of 72.7 acres of land at Delhi taken over by the Northern Railway from the Defence Department 6 years ago. Although the Defence Department demanded price at the rate of Rs. 40 per sq. yard, according to the Deputy Commissioner, Delhi, this rate was for fully developed land and the price of land taken over by the Railway was Rs. 6 per sq. yard only. Further, the Committee find that the price paid for the land in the same area acquired through the Delhi Development Authority was Rs. 8 per sq. yard. On the basis of rate indicated by the Deputy Commissioner, the Railway has made an overpayment of Rs. 47.95 lakhs which, however, has not been accepted by the Defence Department. After going through the facts of the case the Committee cannot resist a feeling that the Defence Department has not taken a realistic attitude. As it is undesirable to inflate the capital-at-charge of the Railways with the attendant dividend liability, the Committee would urge that Government should see that a settlement is reached early.

[S. No. 37, Para 8.25 of Appendix V of 79th Report of P.A.C. (Fifth Lok Sabha)].

Action taken

The observations of the Committee are noted.

With a view to reaching an early settlement with the Ministry of Defence, a meeting between the representatives of the Ministries of Defence and Railways was held on 2-8-1973. At this meeting the Ministry of Defence proposed to have the question of valuation of land made over to the Railways re-examined by the Deputy Commissioner, Delhi.

The matter will be further pursued with the Ministry of Defence to arrive at an early decision.

This has been seen by Audit who have stated that the Committee may be advised of the final outcome in due course.

[Ministry of Railways (Railway Board) O.M. No. 73-BC-PAC| V|79(37) dated 13|14-9-73, 22|23 Bhadra 1895].

Recommendation

The Committee find that 38 imported underframes were received by the Southern Railway and the connected bogies and accessories were cleared by the Eastern Railway; the consignments thus got separated and it took nearly 7 years to connect them. It is surprising that neither the Southern Railway nor the other Railways to whom the under-frames were despatched by the Southern Railway, pursued promptly the non-receipt of bogies and accessories. It is equally surprising that the Eastern Railway did not appear to have taken prompt action to despatch the bogies and accessories to the Railways concerned. While the Railway Board have explained the circumstances under which the bogies and accessories got disconnected from the under-frames, no explanation is forthcoming as to how they remained unconnected on the Eastern Railway till 1966. The Committee hope that suitable action will be taken against those found responsible for the inaction in the matter especially as it resulted in non-utilisation of 18 underframes costing Rs. 7.8 lakhs for over a decade.

Incidentally the Committee find that the materials relating to 6 underframes appeared to have been lost while in the custody of the Eastern Railway. The matter requires investigation.

After going through the case the Committee are unable to resist a feeling that such machinery as the Railway Board have at present has not helped to link up the disconnected consignments. This lacuna therefore needs to be remedied soon.

[S. Nos. 38 to 40, Paras 9.15, 9.16 and 9.17 of Appendix V of 79th Report of P.A.C. (Fifth Lok Sabha)].

Action taken

The observations of the Committee are noted. The matter is under examination in consultation with the Eastern Railway who have to trace the old records; it will therefore take some time to complete the examination.

[Ministry of Railways (Railway Board) O.M. No. 73-BC-PAC/V/79(38-40), dated 27-10-1973/5, Kartika, 1895].

NEW DELHI;
February 4, 1974
Magha 15, 1895 (S)

JYOTIRMOY BOSU,
Chairman,
Public Accounts Committee.

APPENDIX

Summary of the main conclusions|recommendations

S. No.	Page No.	Ministry/Department Concerned	Conclusion/Recommendation
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1	1.3	Railways
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The Committee hope that final replies in regard to recommendations to which only interim replies have so far been furnished will be submitted to them expeditiously after getting them vetted by Audit.

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The Committee had desired that the proportion of the fixed cost and variable cost in respect of the cost of operation of trains should be assessed and significant increase in variable cost should be analysed for each railway/gauge and that an exercise of this kind should be started from the financial year 1973-74 with a view to having an effective and continuous control over the expenditure on Railways operation. In reply, the Railway Board have stated that it will be attached during the current year. The Committee regret the apparent official indifference to the value of the excise recommended by them. They would impress upon the Railway Board the necessity to have a regular arrangement in this regard from the current year onwards.

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The Committee had suggested that a systematic study of restrictions imposed for lack of capacity in stations/sections and transshipment points should serve as a guide for taking up essential works for execution on a priority basis to remove the bottlenecks. In this connection, they would recall that the Railway Board had intimated that one of the reasons for the disability of the section or station is the traffic flowing regularly in excess of the section or terminal or transshipment capacity (*vide* paragraph 2.3 of the 79th Report). The Committee would, therefore, like to reiterate that the restrictions imposed for want of capacity on railways to handle the traffic should be continuously analysed for remedial action at the Railway Board's level.

4 I.13

-do-

The Committee had noticed that the debit and credit balances under the suspense head "Purchases—(Coal)" as on 31st March, 1971 being nearly equal, there was a false sense of complacency. They had observed that there was a need to ensure the accuracy of the figures especially those relating to credits as the possibility of the wagons in respect of which compensation was paid to the private parties being accounted for as unlinked loco coal wagons could not be ruled out. The Committee expected that there would be a thorough check of the position in this regard. The reply of the Railway Board, unfortunately, does not suggest that this was done. The Committee, therefore, wish to reiterate that the figures should be thoroughly checked early and the results intimated to them.

Railways

5. 1.16 According to the Committee the Zonal Railways should watch the performance against the targets fixed by them for the consumption of coal and HSD oil. They had recommended that a centralised watch should be started forthwith in order to effectively check wastages and pilferages of fuel. A copy of the instructions issued by the Railway Board in January, 1968, now furnished to the Committee, does not specifically cover the review of performance with reference to the trip ration fixed. The Committee would, therefore, like to suggest that an analysis of the variation between the trip ration and the actual consumption should be carried out periodically by each Zonal Railway on the lines of the sample survey conducted recently in 5 major Loco sheds to take appropriate action to effect economy on fuel.

6. 1.19

-do-

The Committee would like to stress that the review of the conversion ratios of coal may be expeditiously completed and the ratios revised realistically.

7. 1.22

-do-

The Committee desire that the recommendations of the departmental Committee constituted to go into the question of installation of weighbridges in large sheds as also the action taken thereon may be made available to them within 3 months.

8. 1.25

-do-

The Committee note that instructions have been issued to investigate the surpluses and shortages of inventory for the years

1971-72 and 1972-73. As there was unusually heavy incidence of discrepancies during 1970-71, the Committee desire that the discrepancies for that year also may be investigated.

A thorough investigation into the circumstances leading to giving of premature estimates of boulder traffic by the Ministry of Shipping and Transport as also the reasons for considerable diversion of boulder traffic to road should be made forthwith by the Ministry of Shipping and Transport. Such investigation regrettably does not appear to have been made despite a specific suggestion by the Committee. The results of the investigation together with the action taken for fixing individual responsibility for the lapses at various stages may be communicated to the Committee.

9. 1.28 Shipping and Transport

The Committee desire that the Railway Board should in consultation with the Cabinet Secretariat report within 3 months on the considerations which weighed with the cabinet Committee and the data before them in deciding upon the construction of the Singrauli-Katni line and how the objections of the Ministry of Mines were dealt with.

10. 1.31 Railways

The Committee note that out of the production of 7.3 million tonnes expected in 1978-79 from Singrauli coalfields, no coal will be available for movement over the Singrauli-Katni rail link. They have, however, been informed that the possibility of utilising this line as an additional outlet for Bengal-Bihar coal is under examination. As the line is working in severe loss, the Committee

11. 1.34 Railways/
Deptt. of Mines

would urge that a decision in this regard should be expedited. The Committee are constrained to add that the proceedings under comment indicate a peculiar and in the present context, disastrous in-difference towards the efficient organisation and acceleration of coal production and transport to desired points.

12. 1-37 Railways

The Committee had desired that the responsibility for the lapse in not including the permissible alternative in the schedule of requirements for the global tender floated in June, 1970 should be fixed. The reply of the Railway Board deals with the delay in standardising the drawings for solid wheels. As non-standardisation of the drawing would not be a valid plea for non-inclusion of solid wheels as an alternative, particularly in the context of earlier purchases having been based on non-standard drawing, the Committee expect that the responsibility should be fixed as suggested by them.

13. 1-40 -do-

The Committee take note of the difficulties in carrying out the suggestions in regard to inclusion of price advantages for all items of railway purchases. However, they would suggest that the principle commended by them should be tried in the case of procurement of CI sleepers.

14. 1-43 -do-

The Committee would like to be informed of the extent of encroachments of Railway lands and the actual time-lag in detection

thereof in respect of all the other 11 cases. They also desire that action should be taken to fix responsibility for not detecting the encroachments in time.

15. Railways/
Defence

I. 47

As the matter has been pending for a very long time, the Committee desire that it should be pursued with the Ministry of Defence at a high level and a settlement reached within 3 months.

16. Railways

I. 50

As already observed by the Committee such machinery as the Railway Board have at present has not helped to link up the disconnected consignments in this case. In fact the Committee had recommended that the lacuna should be remedied soon. Unfortunately no specific action appears to have been taken in this regard. The Committee are, therefore, constrained to reiterate that suitable remedial steps should be taken immediately.