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COAL AND COKE MOVEMENT

MINISTRY OF RAILWAYS (RAILWAY BOARD)

PUBLIC ACCOUNTS COMMITTEE 1990-91

SECOND REPORT

NINTH LOK SABHA

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

CORRIGENDA TO 2ND REPORT OF PAC (9TH LOK SABHA)

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SECOND REPORT

PUBLIC ACCOUNTS COMMITTEE (1990-91)

(NINTH LOK SABHA)

COAL AND COKE MOVEMENTS

[Action taken on 64th Report of PAC (8th Lok Sabha)]

सत्यमेव जयते

Presented to Lok Sabha on 23 August, 1990

Laid in Rajya Sabha on 23 August, 1990

LOK SABHA SECRETARIAT
NEW DELHI

August, 1990/Sravana, 1912 (Saka)

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INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Second Report of the Committee on Action Taken by Government on the Observations/Recommendations of the Public Accounts Committee contained in their Sixty-Fourth Report (8th Lok Sabha) on Coal and Coke Movements.

2. In this Report, the Committee have recommended that the Ministry of Railways and Ministry of Energy (Department of Coal) should constitute a high level Committee consisting of the representatives from the Railways, Coal fields, Coal India Ltd. and Consumer Organisations to evolve ways and means to ensure proper loading of wagons, proper weighment, security during transit, proper delivery, weighment at the loading and un-loading points etc., as in the opinion of the Committee such an integrated approach alone can bring a satisfactory solution to the problem.

3. The Committee have also considered it unfortunate that even though a period of two years had passed after the target date of 30 June, 1987 for completion of a crash programme of installation of new weighbridges, the programme of installation is still to be completed. The Committee have desired that detailed information regarding the original targets for installation of weighbridges, the actual number of weighbridges to be installed by the end of the current financial year, reasons for slow progress in the matter and the details of the steps taken for repair and maintenance of the weighbridges may be furnished to them urgently.

4. The Committee considered and adopted the Report at their sitting held on 31 July, 1990. Minutes of the sitting form Part II of the Report.

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

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

SONTOSH MOHAN DEV

Chairman,
Public Accounts Committee.

NEW DELHI;
August 10, 1990

Sravana 19, 1912 (Saka)

CHAPTER I

REPORT

This Report of the Committee deals with action taken by Government on the Committee's recommendations contained in their Sixty-fourth Report (8th Lok Sabha) on Coal and Coke movement.

2. The Observations/Recommendations contained in the Committee's Report have been broadly categorised as shown in Appendix-I.

3. The Committee will now deal with action taken by Government on some of their Observations/Recommendations.

Improper loading of Coal wagons

(Paras 54 and 55 — Sl. Nos. 7 & 8)

4. The Committee had, in the aforesaid Paragraphs, observed that as per practice coal wagons were weighed at the collieries and the RRs were issued by the Railway personnel posted at the weighbridges. Where there was no weighbridge, coal was loaded by the collieries on volumetric basis and the wagons were subsequently weighed at the Railway weighbridges or booked on carrying capacity basis. However, a test weighment of 1.18 lakh wagons loaded in different coal fields of Eastern and South Eastern Railways, in September 1985, had revealed that 37.49 per cent wagons were overloaded and 41.39 per cent wagons were under-loaded. The fact that only 21.12 per cent wagons were found correctly loaded in the test check indicated the failure on the part of the consignors as well as the Railway staff issuing the RRs to exercise proper supervision to ensure the correct loading operations.

5. The Committee had noted that the Coal India Ltd. and Railways had tried to shift the responsibility of proper loading of wagons on each other. According to the Coal India Ltd. the weighment responsibility at the point of loading was that of Railways as RRs were issued by the Railway staff and even the weighbridges owned by the collieries were manned by the Railway staff. On the other hand, the Railways had contended that it was the responsibility of the collieries to load correct quantity of coal. While pointing out that over loading of wagons was not only a safety hazard but also involved leakage of revenue and whereas under-loading of wagons was a clear mal-practice, the Committee had opined that neither Railways nor Coal India Ltd. could absolve themselves from the responsibility of ensuring proper loading of wagons. They had, therefore, emphasised that special efforts were necessary on the part of both the Organisations to ensure and particularly in case of wagons unweighed at the collieries/loading points, that they were loaded to their marked carrying capacity

6. The Ministry of Railways (Railway Board) in their reply have stated that wherever coal handling plants have been provided and the weighbridges were located under the loading chutes, the weighbridge clerk is able to exercise supervision to ensure correct loading of the wagon. However, where weighbridges are installed away from the place where wagons are loaded whether in the colliery sidings or in the Depot yards, the weighbridge clerk records the actual weight loaded in the wagon. Loading of coal is done by Coal India, whose staff at the collieries are generally familiar with the bulk density of coal loaded from the particular collieries. If adequate supervision is exercised by them, the incidence of underloading and overloading should come down. Further, according to them, weighment of the consignment is primarily the responsibility of the consignor who is required to declare the weight of the consignment offered, in the forwarding note. It is always for the party which sells any goods to weigh it and satisfy the buyer.

7. The Department of Coal have stated in their reply that coal companies have been advised from time to time to improve supervision to reduce instances of underloading/overloading. However, overloading and underloading of wagons persists mainly due to the following constraints;

(i) Massive investments had to be made by the Coal Industries after nationalisation in the interest of handling bigger side rakes for improving the turn round of wagons but adequate free loading time commensurate with such changes was not allowed by the Railways making it extremely difficult to carry out loading and levelling operations within the short time in a situation whereby efforts are to be made to avoid detention of wagons and resultant heavy demurrage charges. Such loading operations, specially the machine loading with pay loaders are prone to overloading and underloading.

(ii) Frequent changes are being made by the Railways in the carrying capacity/minimum chargeable weight of wagons.

(iii) It is extremely difficult to avoid over loading and underloading of wagons within the limited tolerance allowed by the Railways.

8. The Department of Coal have added that their terms of sale are on FOR Colliery basis. Hence their responsibility ceases as soon as the wagons are loaded. Due care is, however, taken in loading of wagons keeping in view the volumetric conversion factor to ensure that wagons are loaded as per carrying capacity. Even then on practice it would be found that some wagons are overloaded and some wagons are underloaded.

9. The Department of Coal have desired that the Department of Railways should consider the question of:

(i) Providing adequate free loading time to avoid detention of wagons resulting in heavy demurrage charges; and

(ii) Providing adequate tolerance limit in the carrying capacity of wagons.

10. The Ministry of Railways have stated that the free time now available for loading of coal is considered to be adequate.

11. Reacting further to the Department of Coal's contention, the Railways have stated that since the Department of Coal have mentioned that their sale is on FOR colliery basis, it is, therefore, essential for them as sellers to ensure that the wagons are loaded correctly. Loading of coal is done by the staff of collieries and Railways have no control over that. The Railway staff, if any provided, are only at the weighbridge point where the weighment is recorded. It would, thus, be appreciated that a person whose duty is to record the weight of the consignment cannot exercise control over loading operations. Nevertheless, where the loading is done mechanically by chutes over the weighbridge, the Railways weighbridge clerk sees to it that the wagons are loaded correctly. Further, the magnitude of the Railway operations do not permit detention of wagons for weighment and adjustment of loads.

12. While observing in their original Report that only 21.12 per cent of wagons were found correctly loaded in a test weighment of 1.18 lakh wagons the Committee had recommended that supervision for correct loading of wagons needed to be tightened. The Committee had emphasised that special efforts were necessary on the part of both the Railways and Coal India Ltd. to ensure that the wagons were loaded to their marked carrying capacity. Whereas the Committee had deprecated the attempts of Railways and Coal India Ltd. to shift the responsibility of proper loading of wagons on each other, the Action Taken replies now furnished by the Railways and Department of Coal again reflect divergent views and do not meet the specific observations of the Committee. The Railways have simply narrated the existing procedure/practice and left it to the Department of Coal to follow up the instructions issued by it to improve supervision. They appear to feel that if adequate supervision was exercised by the Staff of Coal India Ltd. instances of underloading or overloading would come down. The Department of Coal have, on the other hand, stated that sale is on FOR Colliery basis and their responsibility ceases as soon as the wagons are loaded. The Department of Coal have also stated that the loading operations within the free time (allowed by Railways), specially machine loading with pay loaders, are prone to overloading and underloading. The Committee feel that proper loading of wagons is not such a big problem as cannot be solved by mutual negotiations and coordination between these two Govt. Departments. The fact that they, instead of making earnest efforts in this direction by interacting at the appropriate levels at their ends, have again resorted to the game of passing on the buck on each other, is nothing but regrettable. The Committee expect that both the Ministry of Railways and the Department of Coal should realise that the matter of over-loading or

under-loading or excess delivery or short delivery of coal is a matter of common interest in which either the Railways or the collieries turn out to be the loser and that it is in the national interest that appropriate solutions are brought about. The Committee hence reiterate their earlier observation and would further recommend that the two concerned Ministries constitute a High Level Committee consisting of representatives from the Railways, Coal fields, Coal India Ltd. and consumer organisations to evolve ways and means to ensure proper loading of wagons, proper weighment, security during transit, proper delivery, weighment at the loading and un-loading points etc. as in the opinion of the Committee such an integrated approach alone can bring a satisfactory solution to the problem. The Committee would like to be apprised of the outcome of the efforts on the above lines within three months of presentation of this Report.

Inadequacy of weighbridges and maintenance of the same

(Para 56 — Sl. No. 9)

13. The Committee had, in the aforesaid paragraph, noted that there were only 70 weighbridges in different collieries of Coal India Ltd. as against as many as 305 rail loading points and that, out of these only 51 weighbridges were in working condition and 13 were out of order, with 6 more awaiting commissioning. In the absence of weighbridges it is not only difficult to ascertain the exact quantity of coal loaded in the wagons and the cost of coal to be charged from the consumers but also overloading and underloading cannot be controlled. The Committee had been informed that in the meetings held on 31 January, 1986 and 15 February, 1986 between the Energy Minister and representatives of Coal India Ltd., State Electricity Boards, Railways, etc. a decision had been taken that Coal India Ltd. should provide weighbridges on a crash programme basis in the identified mines. The Committee had, therefore, recommended that Coal India Ltd. should chalk out a time-bound programme for installation of weighbridges at the remaining colleries; it was also necessary to ensure that adequate arrangements were made for repair and maintenance of the weighbridges.

14. In the Action Taken Note furnished to the Committee by the Ministry of Energy through the Ministry of Railways, it has been indicated that a programme for installation of 104 weighbridges by 30 June, 1987 had been drawn up and that with the implementation of this programme about 248 loading points would be covered leaving hardly any siding with unweighed wagon. On the progress of implementation of this programme, the Action Taken Note indicates that out of the 104 weighbridges installation had taken place only at 24 places by June, 1987. The progress of installation being slow, Audit in their comments advised the Ministry to add the reasons for the slow progress in the Action taken note. In a rejoinder dated 16 January, 1990 the Ministry has indicated that by 30 November, 1989 weighbridges had been installed at 94 places and steps were being taken to ensure installation at the remaining places.

15. On the action taken for adequate arrangements for repair and maintenance, the Ministry of Energy has stated that the recommendations of the Committee have been noted for compliance and that the manufacturers were being awarded with repair and maintenance work to ensure that the weighbridges functioned properly.

16. The Committee consider it unfortunate that even though a period of 2 years had passed after the target date of 30 June, 1987 for completion of a crash programme on installation of new weighbridges, the programme of installation is still to be completed. Evidently the Ministry of Energy do not seem to have taken adequate steps to ensure that the weighbridges were installed according to the crash programme with the result that the programme of work had been quite slow. No specific reasons have also been given for the delay in installation. The Committee would like that steps are taken to ensure that the weighbridges are installed at all despatch sidings of coal within the next 3 months after the presentation of this report, so that coal is not despatched in unweighed wagons. As regards the steps taken for repair and maintenance, the Committee regret to note that only a general observation on noting the recommendations and the steps being taken to award contracts have been given. The Committee had earlier brought to notice that out of 70 weighbridges, 19 of them were not in working condition for one reason or the other. The Committee would like to know the measures taken to oversee the effective functioning and timely repairs of all weighbridges by the Ministry so as to see that no wieghbridge remains out of order beyond a reasonable period and that adequate measures exist to repair the weighbridges in time. The Committee hence recommend that the specific steps taken in this connection and the present stage of availability of weighbridges for service may be intimated to the Committee within a period of 3 months. The Committee would particularly like that detailed information regarding the original targets for installation of weighbridges, the actual number of weighbridges to be installed by the end of the current financial year, the reasons for the slow progress in the matter and the details of the steps taken for repair and maintenance of the weighbridges may be furnished to them urgently.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS THAT HAVE BEEN NOTED/ACCEPTED BY GOVERNMENT

Recommendation

Coal India Ltd. is the major producer of coal in the country. Out of 147.43 million tonnes of coal produced in 1984-85, 130.84 million tonnes was produced by Coal India Ltd., 12.33 million tonnes by Singerani Collieries Co. Ltd. and the rest was contributed by Indian Iron & Steel Co. Ltd., Damodar Valley Corporation and Tata Iron & Steel Co. Ltd. (Para 18)

Four major sectors *viz.*, Steel Plants, Power Houses, Railways and Cement Plants, currently account for about 75% of the total coal consumption in the country. Balance 25% of the coal is consumed by a large variety of 20,000 and odd medium and small industries. The Committee are informed that though there is no control on sale, distribution and movement of non-metallurgical coal since 1967, indirect control through the system of sponsorship, linkages and priorities for rail movements continues. For purpose of distribution industries have been divided into two categories i.e. (i) Centrally sponsored industries, and (ii) State sponsored industries. The industries in the core sector e.g. Steel, Power Houses, Defence, Railways and certain other important major industries have been placed under "Central priorities". Domestic consumers, small industries, brick burners etc. have been placed under the "State priorities". This is to ensure that the available transport capacity is utilised equitably, according to certain laid down priorities among the different categories of coal consumers. The coal produced in Singerani coal fields is, however, not distributed under the system of sponsorship. (Para 19)

According to Department of Coal, the present system of coal distribution in the case of the major centrally sponsored industries is somewhat different from the smaller industries. Steel Plants and Washeries use coaking coal, allocation of which is made by the Coal Controller. Railways and Defence Departments programme their requirements themselves whereas a standing linkage committee set up by the Government of India coordinates the linkages in terms of quantity, quality and source of supply, for Power Stations and Cement Plants. In the case of each individual coal/coke consuming unit of non-core sector the specific linkage is provided by Coal India Ltd., for its monthly requirement which indicate both the source of supply and the mode of transport. The system in case of brick burning coal and soft coke is stated to be again somewhat different as the

State Governments determine the quantities as well as the agents/agencies through whom BRK (Coal for Brick Industries) Coal and Soft Coke can be imported to different destinations in the States. (Para 20)

[S. Nos. 1, 2, & 3 Paras 18, 19 & 20 of 64th Report of PAC (1986-87) VIII Lok Sabha]

Action taken

Noted. The position stated is factually correct.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s OM No. 86-BC-PAC/VIII/64 dt 3/3/88]

Recommendation

The Committee note that all rail transport of coal is regulated under Preferential Traffic Schedule issued by the Railways under Section 27(A) of the Indian Railways Act. Under this schedule the railways have laid down certain quotas for wagon allotments from time to time for coal and programmed movements sponsored by different sponsoring authorities as accepted by the Railway Administration. After meeting the full recommended requirements of important/high priority consumers, other consumers of lower priority get allotments of wagons on the basis of residual availability. The Committee further note that the sector-wise demand of coal during 1985-86 was assessed by Planning Commission as 163.80 million tones of raw coal and 5.10 million tonnes of washery middlings. Based on this demand, Railways were asked to transport 124.5 million tonnes of coal but according to the Department of Coal, they agreed to move about 110.0 million tonnes of coal during 1985-86, because of the resource constraints. However, the quantity of coal actually moved by the Railways during 1985-86 was 101.14 million tonnes. It is not known to the Committee whether Planning Commission had accepted the lower target suggested by Railways. The Committee feel that due to inadequate supply of wagons timely distribution of coal was affected. Shortage of coal and/or delayed delivery is likely to be experienced by all the consumers and more by the small consumers mostly under 'State Priorities' who do not enjoy high priority for the supply of wagons. The Committee need hardly stress that small scale industries and brick kilns, etc. play an important role in the overall economic development of the country and it is, therefore of utmost importance that their genuine requirements are also met so that these industries do not run into difficulties on account of short supply of coal. Concerted efforts should be made to gear up railway transport capacity so that these consumers also receive their due share of coal through rail transport. In this connection, the Committee would also like the Department of Steel and the Department of Railways to ensure early implementation of the remaining recommendations of the Khandelwal Committee which was set up as early as in 1973 to examine *inter alia* the different methods of

reducing the detention time of wagons within the steel plants. Reduced detention of wagons in steel plants should certainly increase the overall availability of wagons for coal movement.

[S. No. 4 Para 21 of 64th Report of PAC (1986-87) VIII Lok Sabha]

Action Taken

The sector-wise demand of coal for 1985-86 was assessed at 163.80 million tonnes of raw coal and 5.70 million tonnes of washery middlings. This called for movement of 124.54 million tonnes by rail in 1985-86. However, keeping in view the availability of overall infrastructure for production and rail transportation and, realistic pattern of consumption in various sectors, a target of 115 million tonnes for the movement of coal by rail was fixed by the Planning Commission. The overall performance in coal-rail sector was reviewed mid-year, and it was estimated that more than 110 million tonnes of coal may not materialise for rail movement.

The actual movement of coal by rail aggregated to 111.68 million tonnes during 1985-86. It included 91.32 million tonnes for Coal India and 10.30 million tonnes for Singareni. The other movements included coking coal for TISCO/IISCO, impored coal, coke from steel plants and coal from Meghalaya etc. The actual movement, therefore, was somewhere in between the original and revised targets.

During the last quarter of 1985-86, while, on the one hand, coal industry launched a drive to step up production, the railways mounted a massive operation to carry larger quantities of coal The production of coal aggregated to over 49 million tonnes registering an improvement of 10% over previous year. The railways achieved a record movement of 30.29 million tonnes of coal as against 27.12 million tonnes achieved during the previous year thus achieving an increase of 17%.

Coal loading during the year was affected by various factors like inadequate offtake by some consumers, interruption during the period when sidings and weighbridges were under modification to suit BOX 'N' wagons, higher seasonality factor etc.

The requirements of consumers belonging to core sectors like thermal power plants, cement factories and fertilizer plants, etc. were, by and large, met in full. Consumers enjoying lower priority suffered mainly on account of (a) limited availability of superior grades of coal in the country; (b) insistence on the part of consumers particularly brick kiln industry for supply of coal from particular sources from where coal could not be spared; and (c) inflated projection of demands by some of the consumers in anticipation of cut in allocations.

In order to improve the level of satisfaction of the sector enjoying lower priority, a Scheme of stock yards around major consumption centres has been implemented by Coal India. Under this scheme coal movement for the low priority sector can be stepped up during the salack season when

demand in certain priority areas is on low key. In fact, coal can be stored in these dumps and distributed later when the demand for other sectors does not permit of any large scale movement to these dumps. There are 69 stock yards in operation as on 31st Aug., 87. In addition, steps have been taken to increase the availability of steam coal for industries by progressively reducing the demand of coal for railways' own use as well as by other suitable measures to increase steam coal production. Further-more, coal is being offered for movement by road for areas not served by rail and also by liberalising sale scheme from some nominated collieries.

The observation of the Committee for intensifying the implementation of Khandelwal Committee report with a view to reduce detention to wagons in the steel plants is noted. It may, however, be mentioned that the progress in implementation of Khandelwal Committee's recommendations with regard to utilisation of wagons had been intimated vide Ministry of Railways' Office Memorandum No. 85-BC-Genl/23 dated 21.4.86 on para 1.12(d), Question No. 4—on the examination of the advance report of C&AG of India for the year 1982-83 & 1983-84, Union Government (Railways).

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No. 86-BC-PAC/VIII/64 dt. 3/3/88]

Recommendation

The Committee note that 68% of the coal was transported by rail, 20% by road and 12% by other means during 1984-85. The other means of transport of coal which are costlier as compared to rail transport include coastal shipping, aerial rope-ways, conveyors, etc. Considering the shortage of the Railway wagons, the existing over crowding in the coal carrying rail routes and having regard to the fact that the movement of coal beyond 300 Kms. by road is uneconomic, the Committee recommend that the feasibility of transport of coal by coastal shipping may be examined. The Committee would like the Department of Coal/ Coal India Ltd. to take necessary steps in this direction in coordination with the Department of Surface Transport (Shipping Wing) and Department of Railways and apprise them of the same.

[S.No. 5, Para 22 of 64th Report of PAC (1986-87)VIII Lok Sabha]

Action taken by Ministry of Rlys

Coal is already being transported by Coal India Ltd. by coastal shipping mainly to power Houses and some quantities to Cement Plants in South India. Such movements by rail-cum-sea routes via Haldia, Paradeep, Visakhapatnam and Calcutta Ports during 1985-86 and 1986-87 were of the order of 25.7 lakh tonnes and 34.2 lakh tonnes respectively. (In addition 56.3 thousand tonnes and 21.6 thousand tonnes of slow low

volatile coal were exported through shipments to non-traditional market, viz. South Korea, in 1985-86 and 1986-87 respectively).

Moreover, transportation of coal through inland waterways is also being explored by the Department of Coal from Rajmahal area to Haldia port, in consultation with Central Inland Water Transportation Corporation, a Government of India undertaking.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s O.M. No. 86-BC-PAC (VIII)/64 dt. 3/3/88]

Action taken by Deptt. of Coal

Coal is already being transported by Coal India Limited by Coastal shipping mainly to Power Houses and some small quantities to Cement Plants in South India. Such movements by rail-cum-sea routes via Haldia, Paradeep, Vishakhapatnam and Calcutta Ports during 1985-86 and 1986-87 were of the order of 25.72 lakh tonnes and 36.47 lakh tonnes respectively.

Moreover, transportation of coal through inland water-ways is also being explored from Rajmahal Area to Haldia Port, for which quotation was obtained from CIWTC, a Government of India Undertaking. The rate quoted was, however, high and the matter is under examination.

[Department of Coal O.M. No. 48042/10/86-CPD dated 16/1/1990].

Recommendation

The Committee are informed that Railways have taken on hand two-fold programme to ensure that movement of coal to the consuming centres remain uninterrupted. First, action has been taken to improve the line capacity on the important coal carrying routes. For this, works having estimated cost of more than Rs. 400 crores are stated to be in progress. Secondly, Railways have introduced BOX'N' wagons which are shorter in length but have the same carrying capacity as the BOX wagons, hence more coal can be carried in each rake of standard length. According to the Department of Railways, 3,500 BOX'N' wagons have been added to the fleet till 1984-85. Another 4300 such wagons are likely to be acquired in 1985-86 depending upon the financial resources. Total investment in BOXN wagons is likely to be Rs. 429 crores. While appreciating these measures the Committee would like to be informed whether these are adequate to meet the needs of rail transport of coal.

[S.No. 6, Para 23 of 64th Report of PAC (1986-87) VIII Lok Sabha]

Action taken

Coal transport by rail is an integrated function of production, transportation and consumption. An integrated coal transport policy would aim at coordinated development of different sectors with the objective of removing mismatches and constraints in each area.

The production of BOX'N' wagons is being planned to take care of

incremental traffic in coal. The total number of BOX'N' wagons added to Indian Railways wagon fleet during the recent years is given below:—

Year	Units
1982-83	827
1983-84	3988
1984-85	3470
1985-86	4730
1986-87	5111

In addition to the steps mentioned in the para, Railways are planning other steps for upgrading the technology and modernising the system to generate sufficient rail transport capacity to carry the ever increasing traffic not only in coal but other commodities as well.

This has been seen by Audit.

[Ministry of Railways (Rly Bd)'s O.M. No. 86-BC-PAC/VIII/64 dt. 3/3/88]

Recommendation

The Committee note that the Railways, in order to check overloading of wagons, had started weighing them at Ludhiana and started charging levies for the overloading from the concerned parties. The parties filed writs in the High Courts against Railways' levying penalty charges and the Court is stated to have ruled that overloading was not the fault of the consignees but that of the Coal India Ltd. and therefore Railways cannot charge penalty. The Committee recommend that this problem should be re-examined by the Railway Board with a view to amending the Railway Act so as to empower the Railways to recover due freight on over-loaded wagons.

[S. No. 11, para 58 of 64th Report of PAC (1986-87) VIII Lok Sabha]

Action taken

In the Railways Bill 1986 (Bill No. 46 of 1986) introduced in the Lok Sabha, a provision has been made empowering the Railway Administration to recover charges by way of penalty on account of overloading from the consignor, consignee or the endorsee, as the case may be, (extract of clause 71 of the Bill enclosed).

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s OM No. 86-BC-PAC/VIII/64 dt. 3-3-88]

EXTRACT OF CLAUSE 71 (CHAPTER IX) OF THE RAILWAYS BILL, 1986 (BILL NO. 46 OF 1986) INTRODUCED IN THE LOK SABHA

Punitive charges for overloading a wagon

71. Where a person loads goods in a wagon beyond its permissible carrying capacity as exhibited under sub-section (2), or sub-section (3), or

notified under sub-section (4) of section 70, a railway administration may, in addition to the freight and other charges, recover from the consignor, the consignee or the endorsee, as the case may be, charges by way of penalty at such rates, as may be prescribed, before the delivery of the goods.

Provided that it shall be lawful for the railway administration to unload the goods loaded beyond the capacity of the wagon, if detected at the forwarding station or at any place before the destination station and to recover the cost of such unloading and any charge for the detention of any wagon on this account.

Recommendation

Whereas it is important to see that excess coal in the wagons is not passed on to the consignees, it is also necessary to ensure that they get the same quantity of coal for which they are to make payment towards the cost of the coal and the freight therefor. Consumers have complained that quite often there is substantial shortage of coal in the wagons received by them. The Committee consider that apart from underloading at the collieries (discussed in the preceding paragraphs), the pilferage en-route is the other major cause for shortage of coal at the consumer's end. According to Railways the pilferage en-route is mainly due to the fact that in some regions trains are stopped and the coal from the wagons is looted. The Committee deprecate such a situation and would recommend that such vulnerable zones should be properly guarded and proper law and order situation should be ensured in cooperation with the State Government concerned at the highest level. Various steps are stated to have been taken to reduce the transit losses. The Committee, however, find that the transit losses are gradually increasing. This is evident from the fact that percentage of transit loss of loco coal (carried for Railway's own consumption) has increased from 2.33 per cent (2.65 lakhs tonnes) in 1977-78 to 6.1 per cent (5.67 lakh tonnes) in 1984-85 although the norm for the transit loss of Railway Coal is only 2 per cent. Likewise, the loss of coal in transit carried for public could be estimated to have increased more or less in the same proportion from 16.1 lakh tonnes in 1977-78 to 36.84 lakh tonnes in 1981-82 and to 55.88 lakh tonnes in 1984-85. (Para 66)

The Committee consider increasing pilferage of coal nothing but a serious loss to the Railways and the bonafide consumers and they cannot but stress the urgent need to eliminate this. In the Committee's view pilferage of coal could be due to various reasons viz. RPF's indifferent attitude; connivance of staff with organised gang at all important junctions; theft of coal at the yards and the abnormal delay at the transhipment points. Such pilferage could be contained to a large extent if surprise checks are conducted quite often at the marshalling yards, transhipment points and the important junctions and the deterrent action is taken against all those found indulging in it. The Committee further recommend that

coal should be moved as far as possible in block rakes and the transit time for the same should also be minimised by having the minimum possible stoppages. Duration of stoppages wherever necessary should also be minimised. The Railways should also ensure that RPF squad invariably accompany the coal wagons; in particular the full rakes and are made accountable for any pilferage taking place in transit. These measures should be enforced more vigorously in Central, Eastern, South Eastern and Western Railways where coal losses are stated to have gone up steeply. Respective State Governments must be closely involved in ensuring the safe transit of coal through their areas. (Para 67)

[S. No. 12 & 13, para 66 & 67 of 64th Report of PAC (1986-87) VIII Lok Sabha]

Action taken

The observations of the Committee have been noted for taking remedial action.

As a result of effective steps taken by the Railway such as escorting of block loads of coal to the extent feasible in theft prone and vulnerable sections/points where the trains slow down, conducting of surprise checks by joint teams of Security, Mechanical and Vigilance Branches of the Railways at the important Collieries, yards and transhipment points as also active coordination with the local and Govt. Railway Police Authorities, the transit and handling losses of loco coal have come down substantially as will be observed from the following statement (showing the percentage of transit and handling losses of loco coal as against the total coal purchased/paid for).

Year	% age of transit/handling losses
1982-83	5.7
1983-84	7.1
1984-85	6.1
1985-86	4.8
1986-87	3.1

These measures are being followed vigorously to further bring down the incidence of transit losses.

The entire quantity of coal lifted by railways is moved in block rakes which ensures faster transit and eliminates detention in yards enroute thus minimising the chances of losses and thefts enroute. Chief Security Commissioners/RPF of all Zonal Railways have, once again, been advised to take all preventive steps to further bring down the losses of coal in transit by escorting all the block loads, as far as possible, especially in crime prone sections, by posting armed pickets at the vulnerable points/yards;

by collecting crime intelligence about the activities of coal thieves and their associates, especially among the Railway employees as well as about receivers of stolen coal and, on the basis of information so collected, to organise frequent raids against them.

The following figures indicate various checks made and trains escorted, and also arrests made for pilferage of coal during the year 1986, and six months of 1987—

Year	No. of coal rakes escorted	No. of pickets posted	No. of patrolling parties deployed	No. of joint teams conducted by Comml. vigilance RPF & Mech. Branches	No. of cases detected	No. of persons arrested		
						Outsiders	Rly. employees	RPF
1986	7,824	58,905	73,577	2,477	6129	6206	566	4
1987 (upto June)	4,271	26,316	35,911	1,607	2009	2326	217	1

This has been seen by Audit.

[Ministry of Railways (Rly Bd)'s OM No. 86-BC-PAC/VIII/64 dt 3.3.88]

Recommendation

The Committee consider that in case of unavoidable diversion of wagons, the claims filed by the parties should be disposed of at the earliest. In this connection, the Committee find that the total number of claims cases pending disposal as on 30 November, 1985, were 1890. Out of these as many as 937 cases were pending for a period ranging from three months to more than one year. The Committee are of the view that all the cases of compensation claims should be disposed of within a prescribed time limit, say, within three months of their filing by the concerned parties. The Committee further find that there were 941 cases of compensation claims in respect of coal pending in the courts as on 30 November, 1985. The Committee desire that the Railways should review the procedure of disposal of compensation claims in respect of coal and take appropriate steps so that the compensation claims could be settled expeditiously and amicably and resorting to legal remedy by the concerned parties or the Railways could be minimised.

[S. No. 15, para 82 of 64th Report of PAC (1986-87) VIII Lok Sabha]

Action taken

As a result of various steps taken by the Ministry of Railways for expeditious settlement of claims, the overall position has considerably improved. The total number of claims pending, has been progressively reduced over the years as the following figures will indicate:

As on	Total No. of claims pending (all commodities)	Total No. of claims pending (Public coal)
31.3.84	94,318	5,290
31.3.85	84,919	4,984
31.3.86	41,261	1,602
31.3.87	28,865	1,369

The number of suits instituted every year has also come down as is evident from the figures given below:—

Year	No. of new suits filed (for all commodities)
1984-85	29,016
1985-86	25,969
1986-87	20,843

Before the claim of an undelivered wagon is paid, efforts are made to certify its non-delivery at the destination station, booking at loading station and to trace its whereabouts on the Railway system. This takes time. In cases of claims for consignments involved in accidents, the authority setting the claims has to wait for the report of the Accident Enquiry Committee before it can finalise the case. However, if no trace of wagon is available for six months, the claim is normally settled by payment.

In cases of the major customers and consumers of coal, claims against undelivered wagons are also adjusted against diverted wagons delivered to them. Such reconciliation is done periodically. By and large, this system has worked satisfactorily.

Instructions have also been given that settlement of claims should not be kept pending till finalisation of inter-Railway liability and staff responsibility and that the outdoor enquiries should be rationalised. Action taken during the last two years has brought in a definite improvement as reflected in the figures under paras 1 and 2 above.

This has been seen by Audit.

[Ministry of Railway (Rly Bd)'s OM No. 86-BC-PAC/VIII/64 dt 3.3.88]

Government of India
Ministry of Transport
Deptt. of Railways (Railway Board)

No. 84-TCIII/52/Misc. New Delhi, dated 16 Jan., 1986.

The General Managers,
All Indian Railways.

Sub: *Speedy settlement of claims*

The Public Accounts Committee during examination of Para on 'Review of Compensation Claims' have commented adversely on the delays in opening of claims and connecting of letters filed by the consumers for their claims.

The Committee has been advised that the following steps have been taken to ensure expeditious settlement of claim cases:—

1. Powers of Officers of the rank of CCO's and below to settle claims have been enhanced.

2. The limit for obtaining prior financial concurrence in individual cases has been raised.

3. The limit for fixing inter-railway liability has been raised.

4. Instructions have been given to the Railways not to pend settlement of claims for fixation of inter-railway liability and staff responsibility.

5. Railways have been advised that verification of price in each and every case may not be necessary, wherever market prices can be ascertained from published whole-sale prices lists of commodities.

6. Railways have been once again instructed that delays in opening of claims and connecting of letters should be eliminated by officers personally scrutinising the dak and making frequent inspections.

7. Regular meetings be held by claim officers with large customers to discuss their pending cases across the table.

8. Claims Officers go out to Divisions/Stations and hold Camp Offices for settlement on the spot.

9. Special watch is kept on six month old cases (which were virtually liquidated by 31.12.1985 on the entire Indian Railways and reduced to 178 only).

10. Staff responsible for delays are being taken up.

It is desired that the Railway should take action accordingly and ensure speedy settlement of claim cases so that prompt relief is provided to the claimants where it is due.

Please acknowledge receipt.

Sd/-
(J.N Tripathi)
Joint Director, Traffic Comm. (Claims),
Railway Board

No. 84-TCIII/52/Misc. New Delhi, dated 16 Jan. 1986

Copy to:—

1. Chief Claims Officers, all Indian Railways
2. Chief Comml. Supdts., all Indian Railways
3. TC. IV Section, Railway Board.

Sd/-
(J.N Tripathi)
Joint Director, Traffic Comml. (Claims),
Railway Board

DA: Nil

Recommendation

The Committee further note that the non-cooking coal used by power plants, textile mills etc. is not being supplied after washing by the collieries. The Department of Coal have stated in this connection that the question of beneficiation of non-coking coal has been considered many times in the past but there are divergent views on the cost economies of such beneficiation. It has been contended that although the ash and abrasiveness comes down by washing the coal, a lot of material so rejected contains combustible matter which goes waste. Further, the use of washed coal is considered expensive as according to Department of Coal the cost of washing the coal with the simplest washing circuit is about Rs. 60 per tonne. The Central Electricity Authority is stated to have held the view that conventional washing is likely to be uneconomic in that the additional cost of washing, the coal would not result in commensurate benefit in the form of improved power generation. However, the representative of Coal India Limited informed the Committee during evidence that they had dialogues with some of the power stations whether they would like to use washed coal which would give greater consistency in quality. Offers from some of the State Electricity Boards are stated to have been received for supply of washed coal for a few of their selected power stations. The Committee desire that the Coal India Limited should try to provide beneficiated non-coking coal to those consumers who prefer the same.

[S. No. 18 Appendix Para 90 of Sixty-Fourth Report of PAC (Eighth Lok Sabha)]

Action Taken by Deptt. of Coal

On Account of substantial cost of beneficiation this may be beneficial only where the lead from the mine to the power station is long. No power stations viz. North Madras Thermal Power Station on TNEB, Mangalore and Kayam Kulam Power Station of NTPC envisage supply of beneficiated coal from Talcher via coastal route. Two more proposed power stations of NTPC viz. At Dadri and Yamunanagar also envisage receiving beneficiated coal from North Karanpura.

This has been seen by Audit.

[Department of Coal O.M. No 48042/10/86-CPD Dated 1.2.90]

CHAPTER III

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

Recommendation

57. The Committee find from the Paragraph 5 of the Report of the C&AG of India for the year 1980-81, Union Government (Railways) regarding utilisation of weighbridges that there is considerable shortage of weighbridges with the Railways. According to this Audit para there were 6,685 booking stations on the Indian Railways, but the number of weighbridges available for weighment of wagon load consignments was only 426. Overloading of wagons is a ususal phenomenon and due to shortage of weighbridges the excess weight loaded on the wagons go undetected which leads to considerable loss of revenue to the Railways and Coal India Ltd. apart from resulting in safety hazards. The Committee, therefore, desire that Railways should acquire more weighbridges and instal them at the goods-booking stations/yards etc. While the Committee appreciate the difficulties experienced by the Railways in operating more static weighbridges, they would like them to develop and acquire modern in-motion weighbridges permitting weighments of wagons without impeding free flow of traffic. While doing so, the Railways may ensure in consultation with Coal India Ltd. that there is no duplication of the arrangements for provision of in-motion/static weighbridges.

[S.No. 10, Para 57 of 64th Report of PAC (1986-87) (VIII Lok Sabha)]

Action Taken

As a seller it is for the consignor to determine the wieght of the consignment offered for booking to the Railways and to declare it in the forwarding note. Railways levy freight charges on the minimum weight for charge or actual weight whichever is higher. Penalty charges are also levied for overloading of wagons as per rules.

To encourage consignors to instal weighbridges at the loading points, Railways offer incentive in the form of a rebate which is 30 paise per tonne in respect of electronic weighbridges. Coal India has also been advised by the Ministry of Energy to provide weighbridges on a crash programme basis in collieries where these are not now available.

With the increase in rail traffic, it is necessary for railways to devise ways and means to optimise the use of rolling stock—both locomotives and wagons. One of the universally adopted methods is to organise movement

in trainloads and run these trains from end to end without detention enroute. There has been a conceptual change in rail movement in that Indian Railways have switched over from the concept of loading and movement in wagon loads to loading and movement in train loads—with trains moving from originating points to destination. This strategy has paid handsome dividends in that railways have been able to carry much larger volume of traffic with the same wagon fleet. The level of satisfaction of demand has considerably improved. In fact, rail users have also welcomed this change and are adapting themselves to the new system. It ensures better availability of wagons and faster transist.

A system whereby wagons are weighed in railway yards will have a calamitous effect on the productive utilisation of wagons. It will slow down the movement considerably thereby reducing the overall rail transport capacity. It is also beset with many problems like wagons detached enroute, problem of off-loading and disposal of excess weight etc.

It is in the larger national economic interest that the new operational strategy is further strengthened and encouraged.

So far as provision of electronic weighbridge is concerned, railways have placed a few development orders for such weighbridges.

Audit observations

The Committee desired that Railways should acquire more weighbridges and instal them at the goods booking sections/yards. The reply deals with provision of weighbridges at yards only. As the Committee's recommendation was in the context of shortages of weighbridges (not particularly at collieries), Railway Board may like to amplify the action taken note.

Railway Board's further remarks

Railways would not encourage proliferation of weighbridges. The railways will provide weighbridges selectively at loading points or other locations.

Weighbridges are essential only where the commodities loaded are in loose condition. In the case of bagged commodities, it is always possible to compute the chargeable weight of the consignment by multiplying the number of bags with the average weight per bag.

[Ministry of Railways (Rly. Bd)'s O.M. No. 86-BC-PAC/VIII/64 dt 3/3/88]

Recommendation

The Committee note that there are two rates for booking of coal-owner's risk rate and railway's risk rate. Railways' Risk rate is 20 per cent higher than the owner's risk rate. At present, coal is being booked by Railways at owner's risk rate. According to the rules the coal and coke booked at owner's risk rate is not reweighed. However, in exceptional cases where there is evidence of apparent heavy shortage, reweighment is permitted by

Divisional Commercial Officers and depending upon the shortage so verified the claim is paid. According to the Railways claims of shortage of coal in the wagons are not entertained as a matter of course as coal is booked at owner's risk rate. However, the Railways do accept claims for non-delivery of coal wagons to the consignees. Non-delivery of wagons is stated to be mainly due to diversion of coal wagons in public interest to other public utility undertakings like Power Houses, Steel Plants, Fertilizer Plants, Loco Sheds etc. In case where diversion is of a full rake, matching deliveries are made by diverting Railway within 30 days of the diversion and in case where diversion is of piecemeal wagons, the original consignee is not compensated with coal but is given monetary compensation. Thus, total account of compensation claims paid by the Railways mainly amount for cases of non-delivery of full wagon loads to the consignees and the amount of claims paid for the shortage of coal is only marginal, However, the Committee find that the total amount of compensation paid on coal traffic has increased gradually from Rs. 1.65 crores in 1977-78 to Rs. 10.24 crores in 1984-85. Likewise percentage of amount of compensation paid to the coal freight earnings has also increased gradually from 0.57 per cent to 0.95 per cent during the same period. The approximate number of wagons diverted on seven Zonal Railways (excluding North-Eastern and North-East-Frontier) during 1983-84 was 1,01,608 and that during 1984-85 was 1,10,198. In the opinion of the Committee the Railways should make efforts to minimise the diversion of wagons by more stringent planning and coordination with Department of Coal and consumers. Diversion not only results in avoidable cases of compensation claims from the consignees but also adversely affect their production schedule due to non-receipt of coal in time.

[S. No. 14, Para 81 of 64th Report of PAC 1986-87 VIII Lok Sabha]

Action taken

Railways undertake diversion of coal rakes under exceptional circumstances only. It is not resorted to as a matter of course.

Normally coal wagons booked on private account (i.e. other than public sector consumers) are not diverted unless it is absolutely unavoidable on account of circumstances like accidents, breaches, civil disturbances, strike or when absolutely necessary in public interest. Railways also try to consult the consignees before making such diversions. It may, however, be not always possible. Such diversions are approved at a reasonably high level.

Coal rakes consigned to public sector consumers like power houses, fertilizer plants, steel plants, etc. have, at times, to be diverted on account of various reasons like congestion at terminals or operational considerations. In such cases in order to avoid immobilisation of stock and consequent detention to rolling stock, diversions are made. Similarly, rakes consigned to a public sector consumer may be diverted to another public sector unit which may be in distress and in urgent need of coal.

Another group of wagons that get diverted are such wagons as have been detached enroute from the parent rakes due to sickness. As movement of such stray wagons fitted with centre buffer couplers to their booked destinations is extremely difficult, time consuming, and uneconomical, they are worked to the nearest loco shed or power house for consumption to plough them back into the circuit of roller bearing-cum-centre buffer coupler stock at the earliest. This facilitates optimal utilisation of wagons and prevents dissipation of the fleet.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd's) O.M. No. 86-BC-PAC/VIII/64 dt. 3/3/88]

Recommendation

It has also come to the notice of the Committee that sometimes wagons are not delivered to the parties at the destinations as it becomes difficult to identify the parties to whom it belongs due to improper labelling and marking on the wagons. The Committee are constrained to note that instructions contained in the manual in this regard are not being observed in letter and spirit. The Committee desire that the concerned staff at the originating stations may be instructed to provide the labels and the marking at the appropriate place on the wagons in such a way that they are not easily removed or tempered with enroute. Further the vehicle guidance accompanying the rakes-wagons should also contain the consignees' names so that there is no difficulty in identifying the wagons at the destinations even if the labels somehow gets detached.

[S.No. 16, para 83 of 64th Report of PAC (1986-87) VIII Lok Sabha]

Action taken

Instructions were reiterated in April, 1986 vide letter No. 85-TCIII/RITES/50 dated 15-4-1986 for proper labelling.

An experiment for securing the seal and bracket labels by means of tamper proof metal tape on which destination and loading stations code are embossed, is being tried out.

Zonal Railways are required to carry out periodical Claim Prevention Drives, in which not only the Railway staff, but the customers are also appraised about the necessity of correct, legible and adequate marking of consignments.

The Vehicle Guidance is prepared by the Yard staff and not the Commercial staff. It is an "operating document" indicating the originating and destination points of the wagons on a train-load, and thus serves as a guide to the Guard accompanying the train for the proper movement of the wagons. It is not feasible to write the name of the consignee on the vehicle guidance. The Railway Receipt is a negotiable instrument, and the consignee mentioned on it may not be the final consignee entitled to take

delivery of the goods from the Railways, as it can be endorsed by the original consignee to others. Some RRs are issued to self, and later on endorsed to the person to whom goods are sold. In view of this, it will not be safe to assume that name of the consignee, even if written on Vehicle Guidance, is the right-ful owner of the goods entitled to take delivery.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd's) O.M. No. 86-BC-PAC/VIII/64 dt. 3/3/88]

(COPY)

Government of India
Ministry of Transport
Deptt. of Railways (Railway Board)

No. 85-TCIII/RITES/50 New Delhi, dated 15th April, 86

The General Managers (Claims),
All Indian Railways.

Sub: *Report of RITES on Compensation Claims—Simplification of Rules & Procedures—Rec. No. 50—Labelling.*

The following has been recommended in the report of RITES:—

"50. Railways should ensure provision of all type of labels of standard quality and also ensure their proper preparation and tying up the same."

2. The recommendation has been accepted by the Board and it is desired that instructions contained in Board's letter No. 85-TC-III/103/1 dated 22nd Oct. 1985 wherein it was emphasized that each loaded wagon should be provided with full complement of labels namely seal label, paste-on-label, bracket label and summary of consignments should be meticulously followed. The use of twine for securing the seal cards should be avoided and tapes or lead wires should be used for this purpose.

3. Please acknowledge receipt.

Sd/-
(J.N. TRIPATHI)
Jt. Director, Traffic Commercial (Claims)
Railway Board

No. 85-TCIII/RITES/50 New Delhi dated April, 86.

Copy to: Chief Claims Officers/Chief Comml. Supdts., all Indian Railways.

All Branches of Traffic Comml. & Traffic Trsm. Dtes. Railway Board.

Sd/-
(J.N. TRIPATHI)
Jt. Director, Traffic Commercial (Claims)
Railway Board

Recommendation

During their meeting with the coal consumers from Western and Central region at Bombay, the Committee were informed by the consumers that the coal wagons received by them contained not only coal but a sizeable quantity of stone, shale etc. The Committee were unhappy to note that the consumers were made to pay for not only the cost of stones by weight but also for its transportation thousands of kilometres. The Committee, therefore, asked the Department of Coal to ensure that such extraneous matters were not supplied along with the coal and transported thousands of kilometres blocking the already scarce transportation capacity. They were informed that washing the coal could be the solution to this problem but it was a costly proposition. The plea of the Department that the washing of the coal would be uneconomical would not appear to be appropriate at this stage as what the Committee has in mind is not washing of the coal but only preliminary screening to avoid stones etc. The Committee fail to understand why screening (not washing) of coal could not be done at the collieries to ensure that such extraneous matters were screened out. The Committee consider that the cost of screening should not be a matter of dispute between the consumer and the supplier as the screening of stones, etc. had to be done after receipt of the coal at the consuming end. Therefore, screening cost has, in any event, to be incurred. As such, by screening the stones at the loading points considerable cost on transportation of stones could be saved and space released for carrying coal in their place. The Committee desire that some methodology must be evolved at all the collieries to segregate the extraneous matters from the coal before its loading.

[S. No. 17 Appendix Para 89 of Sixty-fourth Report of PAC (Eighth Lok Sabha)]

Action Taken by Deptt. of Coal

By and large the characteristic of Indian coal is such that it is inherently mixed up with stones and shales more or less in almost all seams and hence with the increased degree of mechanised mining coal, stone and shale have to be mined together. Manual picking, sizing and even screening cannot ensure total elimination of stones and shales from coal. Efforts to sagregate stones shales from coal fulds/collieries and loading points have, however, been intensified. The percentage of stones and shales mixed with coal may, however, be reduced substantially depending upon the characteristic of the coal by processing the same through mechanical Coal Handling Plants and Deshaling Plants. It is only beneficiation of coal through washing that elimination of stones and shales from coal could be ensured, but the consumers in general are reluctant to bear the cost of such beneficiation of coal.

In any case, stone and shale pieces from coal produced from underground mines are segregated manually before loading into wagons, which has been found to be effective to some extent, but stones and shale pieces find their way along with coal produced from the mechanised Open Cast Projects. Hence Coal Handling Plants have invariably been provided in the Project Reports for all mechanised OCPs with arrangement for crushing, screening and manual deshaling. The progress of installation of CHPs will be evident from the following data:—

(i)	Capacity at the time of nationalisation.	(a) Absolute ..	27.77	million tonnes.
		(b) Percentage of total production ..	35.16%	
(ii)	Capacity as on 31.3.1987.	(a) Absolute ..	92.06	million tonnes.
		(b) Percentage of total production	63.59%	

Project reports for fifteen deshaling plants have been prepared. Draft Project Reports/Conceptual. Reports for nine deshaling plants have also been prepared. In addition CIL have identified 23 locations for deshaling plants. Implementation of the projects will, however, depend on willingness of consumers to pay for the higher cost of beneficiated coal.

This has been seen by Audit.

[Department of Coal O.M. No. 48042/10/86-CPD Dated 1.2.90]

CHAPTER IV

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

Recommendation

54. The Committee note that coal wagons are weighed at collieries and the RRs are issued by Railway personnel posted at the weighbridges. Where there is no weigh-bridge, coal is loaded by the collieries on volumetric basis i.e. as per marking on the wagons and the wagons are subsequently weighed at the Railway weighbridges or booked on carrying capacity basis. However, a test weighment of 1.18 lakh wagons loaded in different coal fields of Eastern and South Eastern Railways, in September 1985, had revealed that 37.49 per cent wagons were overloaded and 41.39 per cent wagons were underloaded. The extent of overloading in respect of BOX wagons ranged from 9 per cent to 27 per cent and in respect of 4 wheelers from 6 per cent to 33 per cent of the carrying capacity. As regards underloading of wagons, there have been complaints from the consumers that there is shortage of coal to the tune of 13 to 16 per cent on the carrying capacity. The fact that only 21.12 per cent wagons were found correctly loaded, in the test check, indicates nothing but the failure on the part of the consignors as well as the Railway staff issuing the RRs to exercise proper supervision to ensure the correct loading operations. To say the least, the supervision needs to be tightened.

[S.No.7, para 54 of 64th Report of PAC (1986-87) Eighth Lok Sabha

Action taken

Wherever coal handling plants have been provided and the weighbridges are located under the loading chute, the weighbridge Clerk is able to exercise supervision to ensure correct loading of the wagon. However, where weighbridges are installed away from the place where wagons are loaded whether in the colliery sidings or in the Depot yards, the weighbridge Clerk records the actual weight loaded in the wagon. Loading of coal is done by Coal India, whose staff at the collieries are generally familiar with the bulk density of coal loaded from the particular collieries. If adequate supervision is exercised by them, the incidence of underloading or overloading should come down.

Joint test weighment of BOX 'N' wagons associating the representatives of Coal India and the consumers were conducted at the collieries in Korea-Rewa Coal Fields of S.E. Railway and the minimum weight for charge for steam and slack coal was revised; at the same time the height upto which wagons should be loaded, has been prescribed to achieve the prescribed

weight. Instructions have been issued that wherever railway staff are provided at these collieries, they should make an endorsement on Railway Receipts to indicate if the wagons have been loaded upto the prescribed height or not. A copy each of the instructions issued on 3.9.1986 and 12.12.1986 is enclosed.

The comments of the Department of Coal are furnished in the enclosed note (Annexure B).

The comments of the Ministry of Railways on the points raised by the Department of Coal in the enclosed note are as under:—

The scale of free time now available for loading of coal is indicated below:—

For all 4 wheeled wagons whether in rakes or piecemeals	—5 working hours from the time the wagon is placed in position for loading.
Box wagons (Manual loading)	
1 to 10	—5 working hours
11 to 19	—6 working hours
20 and above	—8 working hours
Box wagons (Mechanical loading)	
Any number	—5 working hours
Box 'N' wagons (Manual loading)	
1 to 44	—8 working hours
45 and above	—10 working hours
Box 'N' wagons (Mechanical loading)	
45 and above	—9 working hours

The above scale of free time is considered to be adequate. In regard to free time for loading of BOX 'N' wagons, Ministry of Railways have agreed to share 50% of the cost of a study proposed to the enstrusted by the Department of coal to RITES.

As regards charges on overloaded wagons, an extract of Rule 161-A of the Goods Tariff effective form 1.4.1987 is enclosed as Annexure 'C'. It would be seen therefrom that loading tolerance has been suitably liberalised.

It is not possible on account of practical difficulties to off-load coal from overloaded wagons since this will result in undue detention to wagons and problem of disposal of off-loaded coal etc. Since Department of Coal have already issued instructions to the Coal Companies to improve supervision, this should be followed up by them to bring about an improvement in the position regarding overloading of coal wagons.

Audit's observations

The Public Accounts Committee while observing that only 21.12% of wagons were found correctly loaded (in a test weighment of 1.18 lakh wagons) recommended that the supervision needs to be tightened. It is noticed from the reply that the Railway Board has narrated the existing practice and left it to the Department of Coal to follow up the instructions issued by it to improve supervision. It has been stated that "wherever railway staff" were provided in the collieries they should record on the RR whether the wagon was loaded upto prescribed height. The Railways appear to feel that if adequate supervision was exercised by the staff of Coal India incidence of underloading or overloading would come down. The Department of Coal, on the other hand, has stated that loading operations within the free time (allowed by Railways), specially machine loading with payloaders, are prone to overloading and underloading.

The notes submitted by Department of Coal and the Railway Board do not seem to have covered the specific points raised by P.A.C. Railway Board may kindly incorporate these remarks as 'Audit Observations'.

Railway Board's further remarks

As has already been explained in the Action Taken Note, loading of coal is done by the staff of the collieries who are familiar with the bulk density of coal loaded from the particular collieries. Railway staff is not posted at each and every colliery and wherever they are provided, they witness the weighment and record the weight loaded in each wagon. The railway staff have no control over the loading operations inside the collieries. Further, it has to be appreciated that under the Indian conditions it is a herculean effort to load, clear and move 15,000 wagons being loaded per day. Weighment is a small item in the entire exercise and in a large percentage of cases categorised as not properly loaded, the difference would be marginal.

[Ministry of Railways (Rly. Bd's) O.M. No. 86-BC-PAC/VIII/64 dt. 3/3/88]

COPY

Government of India
Ministry of Railways
(Railway Board)

******

No. TCR/1394/84/27. New Delhi, dated 3-9-1986

The General Manager,
South Eastern Railway,
CALCUTTA.

Sub: *Issue of Railway Receipts for coal loaded in BOX 'N' wagon from colliery sidings located on the South Eastern Railway.*

Attention is invited to Para 2 of Board's letter of even number dated 24.4.1986 wherein instructions were issued that loading heights upto which

loading should be done above the brim in BOX'N' wagons at difference colliery sidings should be prescribed.

2. Board desire that wherever such loading heights have been prescribed, and till such time weighbridges/weightometers are provided by Coal India Ltd., the Railway staff, where provided, should witness loading and give a remark on the Railway Receipt to the effect that wagon is "loaded upto prescribed height" or "not loaded upto prescribed height", as the case may be. Record of such remarks should also be kept in the Forwarding Note and Weighment Register.

3. These instructions will remain in force upto 31.12.1986. A report on how this system has worked may please be sent by the end of November, 1986.

4. Instructions may be issued to the staff concerned immediately and the receipt of this letter acknowledged. Staff must be told that each wagon will have to be personally inspected and then such remarks given against each wagon. Inspectors and officers will make surprise checks whether the remarks are being given correctly.

DA: NIL.

Sd/-
(M.L. WATTAL)
Dy. Director, Traffic Comml. (Rates),
Railway Board.

No. TCR/1394/84/27 New Delhi, dated 3.9.1986

Copy forwarded to General Mangers, All Indian Railways (except South Eastern Railway).

DA : NIL

Sd/-
(M.L. WATTAL)
Dy. Director, Traffic Comml. (Rates),
Railway Board.

(COPY)

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

THE GENERAL MANAGER,
SOUTH EASTERN RAILWAY,
CALCUTTA.

XXR WIRELESS/POST COPY
ISSUED ON 12-12-1986.

NO. TCR/1394/84/27(.) Reference Board's letter of even number dated 3-9-1986 regarding issue of railway receipts for coal loaded in BOX'N' wagons from collieries on South Eastern Railway wherein instructions were issued that wherever loading heights upto which loading should be done above the brim of the BOX'N' wagon have been prescribed Railway staff where provided should witness loading and give a suitable remark on the Railway receipt as to whether the wagon was loaded upto prescribed

height or not (.) These instructions were notified to remain in force upto 31.12.86 (.) It has been decided that the currency of these instructions should be extended beyond 31.12.1986 and that they will remain in force till further advice (.) Issue instructions to all concerned (.) South Eastern Railway's report on the working of the system called for in para 3 of Board's letter of 3-9-1986 not yet received and may please be expedited explaining the reasons for delay in submission of the same (.) Acknowledge (.)

Railways

Copy by post in confirmation.

Sd/-
(R. Aravamudhan)
Dy. Director. Traffic Comml. (Rates),
Railway Board.

NO.TCR/1394/84 / 27. New Delhi, dated :12-12-1986

Copy forwarded to General Managers, All Indian Railways, (except South Eastern Railway).

(Sd/-)
(R. Aravamudhan)
Dy. Director. Traffic Comml. (Rates),
Railway Board.

ANNEXURE 'B'

COMMENTS OF DEPTT. OF COAL ON PARA 54 OF PAC'S 64TH REPORT

Coal Companies have been advised from time to time to improve supervision to reduce incidence of underloading/overloading. However, overloading and underloading of wagons persist mainly due to the following constraints:-

(I) Ever since nationalisation of coal industry the Railways made changes in their operating systems/rules/practices for their own operational convenience and for achieving higher coal traffic in disregard to the inconvenience caused to the Collieries. Large number of small sidings had to be reduced considerably to larger sidings for convenience of Railways' operations in respect of coal loading in block rakes. The Railways went on increasing the number of wagons of block rakes introducing BOX wagons and then BOX N wagons for which there is no arrangement for weighment either at the Colliery or at the Railway Weighbridges. Massive investments had to be made by the Coal Industry after nationalisation in order to fall in line with such changes in the interest of handling bigger size rakes for improving the turn round of wagons. But adequate free loading time commensurate with such changes was not allowed by the Railways making it extremely difficult to carry out loading and levelling operations within the short time in a situation whereby efforts are to be made to avoid detention of wagons and resultant heavy demurrage charges since demurrage for the entire rake is to be paid even if one or two wagons are left for loading at the time of the visit of the pilot. Such loading operations, specially machine loading with pay loader are prone to overloading and underloading. The details of existing free loading time allowed by the Railways are shown at Annexure-I.

(II) Frequent changes are being made by the Railways in the carrying capacity/minimum chargeable weight of wagons. Until 10th July, 1973, there was no provision for recovery of penalty charge for overloading unless the overload was removed by the Railways (such offloading being done by them at forwarding stations), when they fixed the minimum chargeable weight at CC + 1 tonne for four-wheeler wagons, whereas for box wagons minimum weight was retained at the carrying capacity. The Railway Ministry imposed penalty charges for overloading of wagons from the 23rd October, 1974, for the first time. Initially the marked carrying capacity was the minimum weight for charge for a box wagon, which was subsequently increased by the Railways in October, 1975, to CC + 2 tonnes (and for four-wheelers to CC + 2 tonnes), thereafter to CC + 5 tonnes and then again reverted back tonnes and then again reverted back

to CC + 2 tonnes. Recently they have revised the same to CC + 3 tonnes with effect from 15.12.86. Such changes in the minimum chargeable weight made the proper loading operations difficult. As per the existing rules the minimum weight for charge is CC + 3 tonnes and in case the wagon is found to be loaded less than CC + 3 tonnes it is treated as having been underloaded and underloading charges become payable. In case it is found to be loaded upto CC + 4 tonnes, normal freight is charged, but if found to be loaded beyond CC + 4 tonnes different rates of freight become payable, and beyond CC + 5 tonnes penal freight charges are to be paid. Thus the tolerance for a BOX wagon, whose carrying capacity is 55 to 57 tonnes, is only one tonne, which is inadequate.

(III) It is extremely difficult to avoid overloading and underloading of wagons within the limited tolerance allowed by the Railways. Initially when four-wheeler wagons were in vogue with the carrying capacity of 22 tonnes, the minimum weight for charge was carrying capacity of the wagons, but if found loaded upto 2 tonnes in excess no penal freight charges were leviable. In other words, the tolerance was two tonnes for a KC wagon with a pay load of 22 tonnes. On this analogy there should have been a tolerance of minimum 5 tonnes for loading a box wagon. The minimum weight for charge for a box wagon should be the marked carrying capacity and if found loaded upto CC + 5 tonnes no penal overloading charge should be levied, but the normal freight to be charged. It should attract penalty charges only in case the box wagons are found to be loaded beyond CC + 5 tonnes. This cushioning may eliminate the chances of both overloading and underloading to a great extent. The Railways themselves had increased the carrying capacity of box wagons to CC + 5 tonnes on their own previously and hence there should be no harm if they permit the tolerance of 5 tonnes in a box wagon, a part of which is being now utilised by Railway to increase their revenues.

(IV) The Railways used to unload the overloaded coal from the wagons to avoid running of overloaded train, which is a safety hazard. They have since discontinued this practice and are trying to control this hazard by imposing penalties, which is impracticable.

In view of the above mentioned constraints, Deptt. of Railways should consider the question of:-

i) providing adequate free loading time to avoid detention of wagons resulting in heavy demurrage charges;

ii) providing adequate tolerance limit in the carrying capacity of wagons and;

iii) reverting back to the old system of unloading overloaded coal.

ANNEXURE-I

DETAILS OF EXISTING FREE LOADING TIME INSPITE OF INCREASE IN RAKE SIZE

1.	For all 4 wheeler wagons in rake or piecemeal.	: 5 working hours from the time wagon is placed in position for loading.
2.	20 BOX wagons rake or more wagons in a rake placed at a time for one party.	: 8 working hours.
3.	For a Group of 11-19 BOX wagons for one party.	: 6 working hours.
4.	For 1-10 BOX wagons for one party.	: 5 working hours.
5.	For mechanical loading or bunker loading.	: 5 working hours.
6.	In case of all other types of wagons.	: 5 working hours.
7.	For 55 BOX 'N' wagons.	: 10 hours for manual loading. 9 hours for mechanical loading.

GOVERNMENT OF INDIA (BHARAT SARKAR)
MINISTRY OF RAILWAYS (RAIL MANTRALAYA)
(RAILWAY BOARD)

No. TC-I/86/109/14 *New Delhi, dated 27.2.1987*

The General Managers,
All Indian Railways.

Sub: Penalty for loading commodities in loose condition beyond the permissible carrying capacity of the wagon.

Ref: Board's letter No. TC-I/1294/75/1 dated 19-7-1985 and wireless message No. TCR/1394/86/17 dated 2-12-1986.

Board have decided that Rule 161-A of the IRCA Goods Tariff No. 37 Part I Volume I dealing with penalty for loading commodities in loose condition beyond the permissible carrying capacity of wagon be amended as under:—

"Rule 161-A. Charge for loading commodities in loose condition beyond the permissible carrying capacity of the wagon."

While loading commodities in loose, consignors must not exceed the permissible carrying capacity of the wagon used or any reduced carrying capacity that may be required in the circumstances referred to in Rule 163. Should overweight be discovered, such overweight beyond the permissible carrying capacity of the wagon used will, notwithstanding anything contained in this Tariff or in any other rule or instructions be charged as under from the forwarding station to the destination:—

(a) **when detected at the time of booking:** If the overweight above the permissible carrying capacity is upto one tonne or less in the case of a 4 wheeled/6 wheeled wagon and two tonnes or less in the case of an eight-wheeled wagon (including BOX wagons), such overweight will be charged at the normal trainload/wagonload rate, as the case may be, applicable to the commodity. Any overweight beyond these limits (i.e. the weight which exceeds permissible carrying capacity plus one tonne in the case of a four or six wheeler, and two tonnes in the case of an eight wheeler) will be charged at the 'Smalls' rate applicable to the commodity.

(b) **when detected en route or at the destination:**

(i) if the overweight above the permissible carrying capacity is one tonne or less in the case of a 4-wheeled/6 wheeled wagon and two tonnes or less in the case of an 8 wheeled wagon (including BOX wagons), such overweight will be charged at the normal trainload/wagonload rate, as the case may be, applicable to the commodity.

(ii) if the overweight beyond the permissible carrying capacity exceeds one tonne but does not exceed two tonnes in the case of a

four-wheeled/ six-wheeled wagon or exceeds two tonnes but does not exceed three tonnes in the case of an eight-wheeled wagon (including BOX wagon), the charges will be levied at the following rates:

—Normal trainload/wagonload rate on the weight of permissible carrying capacity plus one tonne in the case of a four-six wheeled wagon and two tonnes in the case of an eight-wheeled wagon.

—Smalls rate on the weight beyond the limit mentioned above.

(iii) if the overweight beyond the permissible carrying capacity exceeds two tonnes in the case of a four-wheeled/six-wheeled wagon or exceeds three tonnes in the case of an eight-wheeled wagon (including BOX wagons), the charges will be levied at the following rates:

—Normal trainload/wagonload rate on the weight of permissible carrying capacity plus one tonne in the case of a four/six wheeled wagon and two tonnes in the case of an eight-wheeled wagon.

—Double the 'smalls' rate on the weight beyond the limit mentioned above.

2. Two examples illustrating how the charges in the case of overloading are to be recovered are given in the Annexure.

3. The above amendment will take effect from 1st April, 1987.

4. This issues with the concurrence of the Finance Directorate of the Ministry of Railways.

5. Necessary instructions may please be issued to all concerned and the receipt of this letter acknowledged.

Sd/- R. Aravamudhan
Dy. Director Traffic Commercial (R)
Railway Board

No. TCI/86/109/14 New Delhi, Dated: 27-2-1987

Copy forwarded for information to:

1. Port Trusts.
2. General Secretary, IRCA, New Delhi. He will please issue necessary correction slip to the IRCA Goods Tariff No. 37 Part I Vol. I and acknowledge receipt of this letter.
3. Principal, Railway Staff College, Vadodara.
4. ADAI (Railways), New Delhi. (with 36 spares).

Sd/- R. Aravamudhan
Dy. Director Traffic Commercial (R)
Railway Board

Copy to: TC (Rates), TC (CR), TC-III, TC-IV, Fuel, Budget, Stat (CA), M (N), and F(S)III Branches, Railway Board.

ANNEXURE

EXAMPLES SHOWING BASIS OF CHARGES TO BE LEVIED FOR COAL LOADED BEYOND PERMISSIBLE CARRYING CAPACITY OF WAGON USED

I. A Box wagon with a marked Carrying Capacity of 55.7 tonnes is loaded with coal. The Tariff Minimum Weight for Charge is 58.7 tonnes.

(a) **Weight detected at the Booking point**	**Freight Charges leviable**
60.7 Tonnes	Trainload/Wagonload rate for 60.7 Tonnes.
62.00 Tonnes	(a) Trainload/Wagonload rate for 60.7 Tonnes. (b) Smalls rate for 1.3 Tonnes

(b) **Weight detected en route/at destination**	
60.7 Tonnes	(a) Trainload/Wagonload rate for 60.7 Tonnes
61.7 Tonnes	(a) Trainload/Wagonload rate for 60.7 Tonnes (b) Smalls rate for 1 Tonne.
64 Tonnes	(a) Trainload/Wagonload rate for 60.7 tonnes (b) Double the Smalls Rate for 3.3. Tonnes.

II. A 4-wheeled wagon (BC) with a marked carrying capacity of 22.4 tonnes loaded with coal. The Tariff Minimum Weight for charge is 24.4 Tonnes.

(a) **Weight detected at the booking point**	**Freight Charges leviable**
25.4 Tonnes	Trainload/Wagonload rate for 25.4 Tonnes
27.0 Tonnes	(a) Trainload/Wagonload rate for 25.4 Tonnes

	(b) Smalls rate for 1.6 Tonnes
(b) **Weight detected enroute / at destination**	
25.4 Tonnes	Trainload / Wagonload rate for 25.4 Tonnes
26.4 Tonnes	(a) Trainload / Wagonload rate for 25.4 Tonnes (b) Smalls rate for one tonne.
28.0 Tonnes	(a) Trainload / Wagonload rate for 25.4 Tonnes (b) Double the Smalls rate for 2.6 Tonnes.

Recommendation

The Committee regret to observe that the Coal India Ltd. and Railways have tried to shift the responsibility of proper loading of wagons on each other. According to the Coal India Ltd., the weighment responsibility at the point of loading is that of Railways as RRs are issued by the Railway staff and even the weighbridges owned by the collieries are manned by the Railway staff. On the other hand, the Railways have contended that it is the responsibility of the collieries to load correct quantity of coal. The Committee feel that neither Railways nor Coal India Ltd. can absolve themselves from the responsibility of ensuring proper loading of wagons. Over loading of wagons is not only a safety hazard but also a leakage of revenue whereas underloading of wagons is clear mal-practice. In any case, it is essential to ensure that the wagons are correctly loaded. In the Committee's view the chance of irregular loading are more if the wagons are not at all weighed at the collieries. At present all the collieries do not have weighbridges and even the existing weighbridges cannot weigh BOX'N' wagons which are increasingly being used for loading of coal. Very few wagons are, in fact, weighed at the starting point and hence large scale irregular loadings are but natural. If such irregular loadings i.e. under loading and over loading of wagons is allowed to continue unchecked there would be some more disadvantages in addition to those referred to above. Some consignees would get undue advantage (in case of over loading) whereas some others would stand to lose (in case of under loading) as cost of coal and freight is charged on carrying capacity basis. The consignees who lose in the process are bound to make a complaint against Railways as well as coal companies for short supply of coal besides claiming compensation. Special efforts are, therefore, necessary on the part of both the

organisations to ensure and particularly in case of wagons remaining unweighed at the collieries/loading points, that they are loaded to their marked carrying capacity.

[S.No.8, Para 55 of 64th Report of PAC (1986-87) VIII Lok Sabha]

Action taken

Weighment of the consignment is primarily the responsibility of the consignor who is required to declare the weight of the consignment offered, in the forwarding note. In the case of bulk commodities such as coal, the collieries have to instal weighbridges at the loading points. As carriers, Railways have fixed minimum weight for charge for different types of wagons based on their marked carrying capacity and the extent of overloading permitted. Therefore, from the point of view of charging of freight, weighment of each and every wagon by the railway is not necessary. Railways only make test weighment of some wagons in order to detect overloading, if any, and to discourage it, Railways levy penal charges for overloading. It is always for the party which sells any goods to weigh it and satisfy the buyer.

So far as BOX 'N' wagons are concerned, weighbridges at the following colliery sidings in Korea-Rewa Coal fields have since been modified to suit weighment of BOX 'N' wagons.

1. Churcha
2. Bijuri
3. Duman Hill
4. Bisrampur-I
5. Bisrampur-II
6. Korea No. I
7. Korea No. II
8. New Kusumunda No. I
9. New Kusumunda No. II

Similarly the weighbridges at Dakra and Bhurkunda collieries in Karanpura Coal field have also been modified to suit weighment of BOX 'N' wagons. An electronic weighbridge has recently been installed at Bachra Colliery in Karanpura Coal field.

Comments of the Department of Coal are furnished in the enclosed note (Annexure I).

The position of points raised by the Department of Coal regarding increasing tolerance limit and off loading of coal by the railways has already been indicated in the reply against para 54.

The freight charges leviable for overloaded wagons vary in accordance

with different levels of overloading detected. These have been prescribed to discourage overloading which is a safety hazard.

Audit observation

The PAC observed that the Coal India and Railways had tried to shift the responsibility of proper loading of wagons on each other. PAC desired that special efforts were necessary on the part of both organisations to ensure particularly in the case of wagons remaining unweighed at the loading points, that they were loaded properly.

In the action taken note, while the railways maintain that it is the responsibility of the consignor, the Department of Coal has said that the sale is on FOR colliery basis and its responsibility ceases as soon as wagons are loaded. The Department of Coal has also stated that both under-manual and mechanical Loadings wagons cannot be accurately loaded.

Since these divergent views do not meet the specific recommendation of the PAC, Railway Board is requested to append the above remarks as 'Audit Observation.'

Railway Board's further remarks

Since the Department of Coal have mentioned that their sale is on FOR colliery basis, it is, therefore, essential for them as sellers to ensure that the wagons are loaded correctly. As has already been mentioned, loading of coal is done by the staff of collieries and railways have no control over that. The railway staff, if any provided, are only at the weighbridge point where the weighment is recorded. It would, thus, be appreciated that a person whose duty is to record the weight of the consignment connot exercise control over loading operations. Nevertheless, where the loading is done mechanically by chutes over the weighbridge, the railway's weighbridge clerk sees to it that the wagons are loaded correctly. Further, as already mentioned, the magnitude of the railway operations do not permit detention of wagons for weighment and adjustment of loads.

[Ministry of Railways (Rly. Bd)'s O.M No.86-BC-PAC/VIII/64 dt 3/3/88]

COMMENTS OF DEPTT. OF COAL ON PARA 55 OF PAC'S 64TH REPORT

Our terms of sale are on F.O.R. Colliery basis. Hence our responsibility ceases as soon as the wagons are loaded. Due care is, however, taken in loading of wagons keeping in view the volumetric conversion factor to ensure that wagons are loaded as per carrying capacity. Even then on practice it would be found that some wagons are overloaded and some wagons are underloaded. That may happen because the specific gravity of coal varies from size to size, seam to seam, field to field and season to season. All these factors are beyond our control. Wagon loading is done manually and mechanically. While loading manually, a few baskets here and there would make a substantial difference and may result in overloading/underloading. In similar fashion by mechanical system wagons cannot be accurately loaded.

In view of the above, the only solution to the problem is that the tolerance limit should be increased and carrying capacity should not be changed frequently as done during the last few years to earn more and more revenue. Railways have imposed this penalty to ensure that wagons are not overloaded as carrying of train overloaded is a safety hazard. Even by doing so there has not been any improvement in respect of overloading and underloading of wagons, By imposing penalty the safety factor cannot improve.

CIL on their part have drawn up a time bound programme of installation, conversion and modification of the existing weighbridge (details given in the action taken note in respect of recommendation at S. No. 9) and Railways on their part should either revert back to the system of unloading the overloaded wagons, which was in use earlier instead of levying penal freight. They may indicate a separate slab system for overloaded coal, which would form a part of total freight structure and should not be called a penal freight, i.e., the higher the coal received by the consumer beyond the carrying capacity the higher the freight could be charged from the consumers. By this way consumers may not have any grievance in this regard and the Railways may continue to earn their revenues.

Recommedation

As on 12 December, 1985 there were only 70 weighbridges in different collieries of Coal India Ltd. which has 305 rail loading points. Out of these only 51 weighbridges were in working condition; 13 being out of order and 6 awaiting commissioning. According to the Department of Coal, Coal

India Ltd. requires 69 additional weighbridges. There is also a proposal for installing 19 electronic weighbridges in the near future to weigh BOX 'N' wagons at their collieries. The expenditure involved on machines and installation of indigenous electronic weighbridges is stated to be between Rs. 12 and Rs. 15 lakhs each and that on mechanical weighbridges is of the order of Rs. 9 lakhs each. The setting up of electronic weighbridges is however likely to be delayed as the indigenous manufacturers are stated to have been asked to develop the electronic weighbridges according to certain specifications. The Committee feel that even if all these additional weighbridges are installed there would still be many coal loading points at the collieries of Coal India Ltd. which will remain without weighbridges. In the absence of weighbridges it is not only difficult to ascertain the exact quantity of coal loaded in the wagons and the cost of coal to be charged from the consumers but also overloading and underloading cannot be controlled. If the Coal India Ltd. had planned installation of weighbridges in a phased manner thereby spreading the expenditure on them over the years, it would not have been difficult to provide the weighbridges at all the collieries by now. Their task in this regard was also made easier to a certain extent by the incentives provided by Railways in the form of rebates for weighment of coal at their weighbridges plus the cost of staff provided to operate these weighbridges. The Committee have now been informed that in the meetings held on 31 January, 1986 and 15 February, 1986 between the Union Energy Minister and representatives of Coal India Ltd., State Electricity Board, Department of Railways, Power and Coal, a decision was taken that Coal India Ltd. should provide weighbridges on a crash programme basis in the identified mines where no weighment is being done at present. The Committee would like to be apprised whether Coal India Ltd. have chalked out a time bound programme for installation of weighbridges at the remaining collieries. The Committee consider that apart from providing weighbridges at all the collieries it is also necessary to ensure that adequate arrangements are made for repair and maintenance of these weighbridges.

[S.No. 9, para 56 of 64th Report of PAC (1986-87) VIII Lok Sabha]

Action taken

The Ministry of Energy have furnished the following position:—

"The time-bound programme of installation, conversion and modification of weighbridges and the progress of work are as under:—

Items	Programme with dates of commissioning		Installed/ completed	Progress and expected schedules of completion for the rest
	No.	Date of completion		
1	2	3	4	5
(A) Inmotion Electronic Weighbridges with print out system	15	30.6.87	2	(i) Installation of 7 weighbridges is in progress. (ii) Sites for 3 weighbridges are yet to be approved by the Railways. (iii) Site for 1 Weighbridge at WCL will be released after watching the performance. (iv) Work yet to start at 2 places. (v) All are expected to be completed by Sept. 1987.
(B) Static Electronic weighbridges with print out system	9	30.6.87	3	(i) Installation completed at two places. Only stamping is awaited. (ii) Sites for 3 weighbridges not yet released by CCL, WCL and SECL. (iii) Site for one weighbridge changed by SECL. (iv) All are expected to be completed by Sept. 1987.

1	2	3	4	5
(C) Conversion of Mechanical weighbridges into Electronic ones with print out system.	61	30.6.87 for 42 weigh-brid-ges.	2	(i) Installation at one place completed. Only stamping is awaited. (ii) Work is in progress at two places. (iii) The suppliers have been given the schedules for conversion of 40 weigh-bridges by 30.6.87. (iv) Conversion of balance weighbridges will be taken up after completion of the above 40 weighbridges. The delay is mainly due to time taken to convert existing weighbridges rooms to airconditioned ones and the need for installing uninterrupted Power Supply Units.
(D) Modification of weigh-bridges for weighing BOX N wagons.	19	15.6.87 (except for one)	17	(i) Work on modification of 1 weighbridge is in progress for completion within the scheduled date. (ii) For the balance 1, a decision has been taken to instal a static Electronic Weighbridge instead of modification. (iii) Five Railway Weighbridges are also to be modified. The matter is under pursuasion with them.

With the implementation of this programme, about 248 loading points will be covered and there will be hardly any siding left for despatch of coal with unweighed wagon.

The recommendation regarding the necessity to ensure that adequate arrangements are made for repair and maintenance of the weighbridges has been noted for compliance. As a matter of fact the Manufacturers are being awarded with repair and Maintenance work to ensure that the Weighbridges function properly."

Audit observations

The progress of installation of weighbridges is very slow with reference to target. Reasons for this may be added in the Action Taken Note.

Railway Board's further remarks

Since the comments on this para was furnished by the Deptt. of Coal, Ors. of Audit have seen conveyed to them. The slow pace of installation of weighbridges is attainable to a number of factors like availability of funds, developmental orders, trials and manufacturing capacity etc. available in the country.

So far as Rly's approval to the sites for installation of weighbridges is concerned, all sties except two, have seen cleared. The location of these weighbridges is also being decided by Eastern Rly and Coal India Ltd. by mutual consultation.

[Ministry of Rlys. (RB) O.M. No. 86-BC-PAC/VIII/64 dt. 3/3/88]

Action Taken of Deptt. of Coal

As on 1st January, 1988, the position of installation, conversion and modification of weighbridges and the progress of work is as under:—

(A) In-motion Electronic Weighbridges with Print out system

Out of 15 Weighbridges, 4 were completed by December, 1987, while 6 numbers were under installation. The site for balance 5 weighbridges had not been made available .

(B) Static Electronic Weighbridges with Print out system

Out of 9 only 5 Weighbridges had been installed by December, 1987, one was under installation and the site for balance 3 had not yet been selected by the Company.

(C) Conversion of Mechanical Weighbridges into Electronic Print out

Out of 61 Weighbridges, 19 had been converted by December, 1987 while 10 were under conversion. The work on the balance was yet to be taken up (December, 1987).

(D) Modification of Weighbridges for weighing Box-N wagons

The original programme was for modification of 18 weighbridges which was subsequently revised to 26. Of these 25 had been modified by December, 1987.

Total number of loading points as on 31.3.1987 was 257. The points not covered by weighment were 27 while points not covered by the present programme of installation of Weighbridges were 9.

[Department of Coal D.M. No. 48042 / 10 / 86-CPD Dated: 16-1-1990]

POSITION IN REGARD TO INSTALLATION, CONVERSION AND MODIFICATION OF WEIGHBRIDGES AND THE PROGRESS OF WORK AS ON 30.11.1989

A. In-motion Weighbridges with Print out system

Out of 15 weighbridges 8 have been completed 5 are under installation and work for balance 2 is yet to start.

B. Static Electronic Weighbridges with Print out system

All the nine (9) static electronic weighbridges have been installed.

C. Conversion of Weighbridges into Electronic Print out systems

Out of 61 weighbridges referred previously 57 have so far been converted, two are under conversion and conversion of balance 2 (two) is yet to start.

D. Modification of weighbridges for weighing Box-N Wagons

All 26 (Twenty-six) weighbridges have been modified as programmed.

[Deptt. of Coal O.M. No. 48042 / 10 / 86-CPD dt. 16 / 1 / 90.]

CHAPTER V

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

—Nil—

NEW DELHI;
August 10, 1990

Sravana 19, 1912 (saka)

SONTOSH MOHAN DEV
Chairman,
Public Accounts Committee.

PART II

MINUTES OF THE 5TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 31ST JULY, 1990 IN COMMITTEE ROOM NO. 50, PARLIAMENT HOUSE

The Committee sat from 15.00 hrs. to 17.30 hrs.

Present

Shri Sontosh Mohan Dev-*Chairman*

Members

2. Shri G.M. Banatwalla
3. Shri Nirmal Kanti Chatterjee
4. Shri P. Chidambaram
5. Shri Mallikarjun
6. Prof. Gopalrao Mayekar
7. Shri Kailash Meghwal
8. Shri Shantilal Purushottamdas Patel
9. Shri Janardhana Poojary
10. Shri Amar Roypradhan
11. Shri T.R. Balu
12. Shri H. Hanumanthappa
13. Shri Sunil Basu Ray
14. Shri Vishvjit P. Singh
15. Shri Rameshwar Thakur

Secretariat

Shri G.S. Bhasin-*Deputy Secretary*

Representatives of Audit

1.	Shri R. Parameshwar	- Dy. C.A.G.
2.	Shri S. Sounderrajan	- Addl. Dy. CAG
3.	Shri S.B. Krishnan	- Pr. Director (Report)
4.	Shri T. Sethumadhawan	- Pr. Director (Direct Taxes)
5.	Shri K. Krishnan	- Director (Direct Taxes)
6.	Shri K. Jayraman	- Dy. Director (Railways)
7.	Shri A.K. Menon	- Director General of Audit, Defence Services
8.	Shri Baldev Rai	- Pr. Director of Audit, Air Force & Navy
9.	Shri R.P. Singh	- Director (Report) Office of DGA DS New Delhi.

2. The Committee considered the following draft Reports and adopted the same subject to certain modifications and amendments as indicated in Annexure I.

(i) Draft Report on action taken on the 64th Report of PAC (8th Lok Sabha) regarding Coal and Coke Movements.

xxx xxx xxx

4. With regard to the draft Report adopted by the Committee as per para No. 2 above, the Committee authorised the Chairman to finalise these draft Reports in the light of verbal changes and minor modifications/ amendments arising out of factual verification by the audit and present the reports to the House.

xxx xxx xxx

The Committee then adjourned.

ANNEXURE-I

MODIFICATIONS/AMENDMENTS MADE IN THE DRAFT REPORT ON ACTION TAKEN ON 64TH REPORT OF PAC (8TH LOK SABHA)

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Page	Para	Line(s)	Modifications/Amendments
6	12	4 and 5 from bottom	*For* the words: "in the opinion of the Committee an integrated approach can alone" *Read* "in the opinion of the Committee such an integrated approach alone can"
9	16		At the end *add* the following: "The Committee would particularly like that detailed information regarding the original targets for installation of weighbridges, the actual number of weighbridges installed upto date, the number of weighbridges to be installed by the end of the current financial year, the reasons for the slow progress in the matter and the details of the steps taken for repair and maintenance of the weighbridges may be furnished to them urgently."

APPENDIX I

(i) Observations/Recommendations that have been noted/accepted by Government;

Sl. Nos. 1, 2, 3, 4, 5, 6, 11, 12, 13, 15 and 18.

(ii) Observations/Recommendations which the Committee do not desire to pursue in the light of the replies received from the Government;

Sl. Nos. 10, 14, 16 and 17.

(iii) Observations/Recommendations replies to which have not been accepted by Committee and which require reiteration;

Sl. Nos. 7, 8 and 9.

(iv) Observations/Recommendations in respect of which Government have furnished interim replies;

-NIL-

APPENDIX II

STATEMENT OF OBSERVATIONS / RECOMMENDATIONS

Sl. No.	Para Nos.	Ministry / Deptt. concerned	Observations / Recommendations
1	2	3	4
1.	12	*Railways* Energy (Deptt. of Coal)	While observing in their original Report that only 21.12 per cent of wagons were found correctly loaded in a test weighment of 1.18 lakh wagons the Committee had recommended that supervision for correct loading of wagons needed to be tightened. The Committee had emphasised that special efforts were necessary on the part of both the Railways and Coal India Ltd. to ensure that the wagons were loaded to their marked carrying capacity. Whereas the Committee had deprecated the attempts of Railways and Coal India Ltd. to shift the responsibility of proper loading of wagons on each other, the Action Taken replies now furnished by the Railways and Department of Coal again reflect divergent views and do not meet the specific observations of the Committee. The Railways have simply narrated the existing procedure / practice and left it to the Department of Coal to follow up the instructions issued by it to improve supervision. They appear to feel that if adequate suppervision was exercised by the staff of Coal India Ltd. instances of underloading or overloading would come down. The Department of Coal have, on the other hand, stated that sale is on FOR Colliery basis and their responsibility ceases as soon as the wagons are loaded. The Department of Coal have also stated that the loading

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			operations within the free time (allowed by Railways), specially machine loading with pay loaders, are prone to overloading and underloading. The Committee feel that proper loading of wagons is not such a big problem as cannot be solved by mutual negotiations and coordination between these two Govt. Departments. The fact that they, instead of making earnest efforts in this direction by interacting at the appropriate levels at their ends, have again resorted to the game of passing on the buck on each other, is nothing but regrettable. The Committee expect that both the Ministry of Railways and the Department of Coal should realise that the matter of over-loading or under-loading or excess delivery or short delivery of coal is a matter of common interest in which either the Railways or the collieries turn out to be the loser and that it is in the national interest that appropriate solutions are brought about. The Committee hence reiterate their earlier observation and would further recommend that the two concerned Ministries constitute a High Level Committee consisting of representatives from the Railways, Coalfields, Coal India Ltd. and consumer organisations to evolve ways and means to ensure proper loading of wagons, proper weighment, security during transit, proper delivery, weighment at the loading and un-loading points etc. as in the opinion of the Committee such an integrated approach alone can bring a satisfactory solution to the problem. The Committee would like to be apprised of the outcome of the efforts on the above lines within three months of presentation of this Report.
2.	16	*Railways* Energy (Deptt. of Coal)	The Committee consider it unfortunate that even though a period of 2 years had passed after the target date of 30 June,

1	2	3	4
			1987 for completion of a crash programme on installation of new weighbridges, the programme of installation is still to be completed. Evidently the Ministry of Energy do not seem to have taken adequate steps to ensure that the weighbridges were installed according to the crash programme with the result that the programme of work had been quite slow. No specific reasons have also been given for the delay in installation. The Committee would like that steps are taken to ensure that the weighbridges are installed at all despatch sidings of coal within the next 3 months after the presentation of this report, so that coal is not despatched in unweighed wagons. As regards the steps taken for repair and maintenance, the Committee regret to note that only a general observation on noting the recommendations and the steps being taken to award contracts have been given. The Committee had earlier brought to notice that out of 70 weighbridges, 19 of them were not in working condition for one reason or the other. The Committee would like to know the measures taken to oversee the effective functioning and timely repairs of all weighbridges by the Ministry so as to see that no weighbridge remains out of order beyond a reasonable period and that adequate measures exist to repair the weighbridges in time. The Committee hence recommend that the specific steps taken in this connection and the present stage of availability of weighbridges for service may be intimated to the Committee within a period of 3 months. The Committee would particularly like that detailed information regarding the original targets for installation of weighbridges, the actual number of weighbridges to be installed by the end of the current financial year, the reasons for

1	2	3	4
			the slow progress in the matter and the details of the steps taken for repair and maintenance of the weighbridges may be furnished to them urgently.

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2.	M / s. Crown Book Depot, Upper Bazar, Ranchi (Bihar).
	GUJARAT
3.	The New Order Book Company, Ellis Bridge, Ahmedabad-380006. (T. No. 79065).
	MADHYA PRADESH
4.	Modern Book House, Shiv Vilas Palace, Indore City. (T. No. 35289).
	MAHARASHTRA
5.	M / s. Sunderdas Gian Chand, 601, Girgaum Road, Near Princes Street, Bombay-400002.
6.	The International Book Service, Deccen Gymkhana, Poona-4.
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8.	M / s. Usha Book Depot, 'Law Book Seller and Publishers' Agents Govt. Publications 585, Chira Bazar Khan House, Bombay-400002.
9.	M&J Services, Publisher, Representative Accounts & Law Book Sellers, Mohan Kunj, Ground Floor 68, Jyotiba Fuele Road, Nalgaum-Dadar, Bombay-400014.
10.	Subscribers Subscription Services India, 21, Raghunath Dadaji Street, 2nd floor, Bombay-400001.
	TAMIL NADU
11.	M / s. M. M. Subscription Agencies, 14th Murali Street (1st floor) Mahalingapuram, Nungambakkam, Madras-600034. (T.No. 476558).
	UTTAR PRADESH
12.	Law Publishers, Sardar Patel Marg, P.B. No. 77, Allahabad, U.P.
	WEST BENGAL
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16.	M / s. Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-110001. (T. No. 3315308 & 45896)
17.	M / s. Bookwell, 2 / 72, Sant Nirankari Colony, Kingsway Camp, Delhi-110009. (T.No. 7112309).
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21.	M / s. Central News Agency Pvt. Ltd., 23 / 90, Connaught Circus, New Delhi-110001. (T. No. 344448, 322705, 344478 & 344508).
22.	M / s. Amrit Book Co., N-21, Connaught Circus, New Delhi.
23.	M / s. Books India Corporation Publishers, Importers & Exporters, L-27, Shastri Nagar, Delhi-110052. (T. No. 269631 & 714465).
24.	M / s. Sangam Book Depot, 4378 / 4B, Murari Lal Street, Ansari Road, Darya Ganj, New Delhi—110002.