

PUBLIC ACCOUNTS COMMITTEE (1978-79)

(SIXTH LOK SABHA)

HUNDRED AND SEVENTH REPORT

RAILWAY OPERATIONS AND EARNINGS

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

[Action taken by Government on the recommendations of the Public Accounts Committee contained in their 11th Report (Sixth Lok Sabha)]



Presented in Lok Sabha on **28 FEB 1979**

Laid in Rajya Sabha on **28 FEB 1979**

**LOK SABHA SECRETARIAT
NEW DELHI**

December, 1978/Agrahayana, 1900 (S)

Price : Rs. 3.15

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(1978-79)

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1. Shri H. G. Paranjpe—*Joint Secretary.*
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INTRODUCTION

I, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Hundred and Seventh Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 11th Report (Sixth Lok Sabha) relating to Railway Operations and Earnings.

2. On 31 May 1978, an 'Action Taken Sub-Committee' consisting of the following Members was appointed to scrutinise the replies received from Government in pursuance of the recommendations made by the Committee in their earlier Reports:

- | | | |
|-----------------------------|----|----------|
| 1. Shri P. V. Narasimha Rao | .. | Chairman |
| 2. Shri Asoke Krishna Dutt | .. | Convener |
| 3. Shri Vasant Sathe | } | Members |
| 4. Shri M. Satyanarayan Rao | | |
| 5. Shri Gauri Shankar Rai | | |
| 6. Shri Kanwar Lal Gupta | | |

3. The Action Taken Sub-Committee of the Public Accounts Committee (1978-79) considered and adopted the Report at their sitting held on 8 December 1978. The Report was finally adopted by the Public Accounts Committee (1978-79) on 19 December, 1978.

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

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

NEW DELHI;

P. V. NARASIMHA RAO,

December 19, 1978

Chairman,

Agrahayana 28, 1900 (S).

Public Accounts Committee.

CHAPTER—I

REPORTS

1.1. This Report of the Committee deals with the action taken by Government on the recommendations of the Committee contained in their 11th Report (Sixth Lok Sabha) on Railway Operations and Earnings, which was presented to Lok Sabha on 16th November 1977.

1.2. Action Taken Notes on all the 52 recommendations contained in the 11th Report have been received from Government and these have been broadly categorised as follows:—

(i) *Recommendations/observations which have been accepted by Government:*

S. Nos. 1, 2, 8, 14, 17, 24—26, 33-34, 42—46 and 48—52.

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

Sl. Nos. 3-4, 10, 15-16, 18—20, 23, 31-32, 35-36 and 39.

(iii) *Recommendations/observations replies to which have not been accepted by the Committee and which require reiteration:*

Sl. Nos. 9, 27 and 28—30.

(iv) *Recommendations/observations in respect of which Government have furnished interim replies:*

Sl. Nos. 5—7, 11—13, 21-22, 37, 38, 40, 41 and 47.

1.3. The Committee expect that final replies to those recommendations/observations in respect of which only interim replies have so far been furnished will be made available to them expeditiously after getting them vetted by Audit.

1.4. The Committee are, however, constrained to point out that the recommendations or observations made by the Committee are not being considered with due sense of urgency. Out of the 52 recommendations or observations included in the 11th Report of the Committee (Sixth Lok Sabha) in respect of as many as 13 (25 per cent) recommendations or observations only ad interim replies have been furnished. The Committee feel that the time of six months allowed to the Ministries/Departments for furnishing of Action Taken Notes is a fairly long period within which the Ministries

should normally be able to finalise their examination of the Committee's recommendations or observations. The Committee expect that the Action Taken Notes furnished to them even after a lapse of six months and in many cases after several extensions, should be final and conclusive. In this connection the Committee would draw attention to paras 1.3 and 1.4 of their 68th Report (Sixth Lok Sabha) in which they had emphasized the need for furnishing final replies to recommendations within the prescribed period.

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

Systematic appraisal of the functioning of the important marshalling yards

(Sl. Nos. 9 and 27—Paras 1.146 and 1.164)

1.6. Commenting on the performance of the yards at Chitpur, Naihati and Andal, the Committee had, in paragraphs 1.146 and 1.164 made the following observations:—

Para 1.146

"The Committee have been informed that the performance of the Yards at Chitpur Naihati and Andal were analysed in the context of the existing traffic pattern, marshalling commitments and other constraints peculiar to each yard. The Committee have not been informed about the level at which such reviews were undertaken. The Committee would therefore urge that a comprehensive review should be undertaken by the Efficiency Bureau of the Railway Board so as to assess the performance of the Chitpur Naihati and Andal in regard to quicker turn-round of wagons and detentions keeping in view the traffic pattern, marshalling commitments etc.

Para 1.164

The elaborate analysis of the functioning of the three yards of the Eastern Railway has not only highlighted the problems of operation but has also put in perspective the role of the supervisory staff and the nature of control exercised by them for ensuring efficient performance of the yards. All the three yards under reference are headed by fairly senior and high rank officers. However, the control exercised by them on the day-to-day operations in the yards appears to be lax. Some of the apparently

simpler problems, such as non-supply of cranes, non-availability of locomotives, non-availability or less availability of water from storage tanks, non-availability of rest vans for the crew, frequent power failures and such other minor things which hamper the movement of wagons have not been attended to in time. The Committee have no doubt that if the supervisory officers on the spot are vigilant and are assisted in time and if there is proper coordination, many of the problems of the yards could be solved satisfactorily and in time. It will perhaps be worthwhile to make a systematic appraisal of the functioning of the important marshalling yards at the level of the Efficiency Bureau of Railway Board with a view to streamlining their work."

1.7. In their Action Taken Note dated 19 May 1978, the Ministry of Railways (Railway Board) have stated:

"The Ministry of Railways, in pursuance of the recommendations made by the Public Accounts Committee in paras 1.146 and 1.164, have since decided that Efficiency Bureau of the Railway Board should undertake a comprehensive study of the three marshalling yards, i.e., Chitpur, Naihati and Andal on the lines suggested by the Committee."

1.8. The Committee find that in pursuance of their recommendations contained in paras 1.146 and 1.164 of the 11th Report (Sixth Lok Sabha), the Ministry of Railways (Railway Board) have since decided that Efficiency Bureau of the Railway Board would undertake a comprehensive study of the three marshalling yards namely Chitpur, Naihati and Andal of the Eastern Railway. This only partially meets the Committee's point. What the Committee had recommended was that as the elaborate analysis of the functioning of the three yards of the Eastern Railway had brought into focus the problems of operation of such big yards, it would be worthwhile to make a systematic appraisal of the functioning of all the marshalling yards of the Railways including the three yards of the Eastern Railway at the level of the Efficiency Bureau of the Railway Board with a view to streamlining their work. The Committee would, therefore, like to emphasise that the Efficiency Bureau may be instructed to undertake comprehensive reviews of all the major marshalling yards in a phased manner. The Committee have no doubt that such reviews will enable each Zonal Railway to understand the peculiar problems faced by each yard so as to take adequate remedial measures for its efficient functioning.

Incorrect levy of freight on consignments of slag mixed iron or steel scrap. (Sl. Nos. 28—30—Paras 2.17—2.19).

1.9. Dealing with a case of incorrect levy of freight on consignments of slag mixed with iron or steel scrap, the Committee had, in paras 2.17 to 2.19 made the following observations:

Para 2.17.

"The Committee observe that the term 'scrap', as defined in Special condition 18 of Goods Tariff applicable to Iron or Steel Scrap, applies only to such scraps or pieces of metal as have metal value only as distinct from shape value and are useful for remelting, reforging or re-rolling only. The definition obviously does not lay down that the commodity offered as scrap should have 100 per cent metal value for conforming to the description of iron or steel scrap as given in the Special Condition 18 of the Goods Tariff. Accordingly, therefore, the so-called slag mixed with iron/steel scrap, which was found to have a metallic content of more than 53 per cent and which was being sent to foundries for reclaiming the metal could only be considered as scrap and not slag, which is supposed to be a waste refuse of steel plant containing practically very negligible percentage of iron (ferrous content less than 2 per cent) and used only for road making. In the absence of any clear cut and specific provision in the Goods Tariff to the effect that scrap should have 100 per cent metallic content and in view of the fact that the same commodity despatched from two other stations viz. Rourkela and Tatanagar was being treated as scrap and charged as such, the Committee fail to understand how the Railway Administration maintain that the commodity booked from Durg Station approximated more to slag than to scrap.

Para 2.18

The Committee feel till 14 February, 1972 the Railway Administration was correctly charging the freight on the consignments containing slag mixed with iron/steel scrap at the class rate applicable to iron and steel scrap. However, from 15 February, 1972, following the introduction of a lower classification for iron or steel slag, the firms took advantage of the lower rates by just declaring the commodity, i.e. slag mixed with iron or steel scrap as iron

and steel slag in the forwarding notes. Surprisingly, the Railway Administration started charging the freight at the lower classification knowing fully well that the commodity being booked by the firms was the same and contained metallic iron to the extent of 53.20 per cent and ferric oxide to the extent of 15.44 per cent and as such could not be properly classified as iron or steel slag for the purpose of charging freight. Even the firms were stated to be aware of the high metallic content of the slag and to that extent they were guilty of misdeclaration. The Committee note that it was only on 4 June, 1973 that at the instance of the Travelling Inspector of Accounts Durg Station also started charging freight for the commodity at the rates applicable to iron and steel scrap. There has thus been a serious lapse on the part of the Durg Station authorities in agreeing to charge the freight at a lower rate just on the basis of a declaration made by the firms. This needs to be investigated thoroughly to fix responsibility as also to find out if there was a collusion between the firms and the booking staff at Durg Station. The Committee would like to be apprised of the result of investigation within three months of presentation of this report to the House.

Para 2.19

The Committee are somewhat perplexed at the stance now being taken by the Railway Administration by stating that booking and charging of the commodity had been correctly done in conformity with the extent provisions of the Goods Tariff and that the question of raising of undercharges did not arise. This is in contradiction of the position taken by the Railway Administration earlier that the commodity booked at the Durg Station could bear freight rates higher than the rates applicable to iron and steel slag NOC but lower than the rates for iron or steel scrap. The Committee find that following a reference from the Railway Administration, the Railway Board had referred the proposal for raising the classification of iron and steel slag to the level of the rate applicable to iron and steel scrap for examination by the Commercial Committee, who had come to the conclusion that there was no justification to raise the classification of iron and steel slag recommendation and this recommendation had been accepted by the Railway Board. The

Committee are of the view that even if the two Commodities, i.e. iron and steel slag NOC and iron and steel scrap could not be equated for the purpose of charging of freight, there was no justification for charging a lower rate for a commodity which though described as iron or steel slag did not satisfy the specification thereof and could more appropriately be termed as iron and steel scrap. Allowing benefit of lower rate provides scope for leakage of revenue. In view of this, the Committee need hardly emphasize that the total undercharges for the period 15 February 1972 to 3 June 1973 may be assessed and recovered from the parties concerned without loss of further time. The Committee also desire that the position may be reviewed afresh with a view to establish that the commodity known as iron or steel slag is being correctly classified for the purpose of charging of freight rates at all the stations. The Committee would like to be apprised of action taken in this behalf."

1.10. In their Action Taken Notes dated 19 May 1978, the Ministry of Railways (Railway Board) have stated:

Para 2.17

"Special Condition 18 in the Goods Tariff lays down that the term 'scrap' applies only to such scraps or pieces of metal as have metal value only as distinct from shape value and are useful for re-melting, re-forging or re-rolling only. The definition neither lays down that scrap should have 100 per cent metal value, nor it says that slag having more than 2 per cent of ferrous content should be charged as scrap. It is not possible to lay down any fixed percentage in this regard. The commodity offered at Tata-nagar and Rourkela even after the introduction of a separate classification for iron steel slag NOC from 15-2-72 onwards was always declared by the parties as Iron and Steel scrap and charged accordingly. On the other hand the commodity offered at Durg was declared as iron and steel scrap upto 15-12-1972 and as iron and steel slag NOC w.e.f. 15-2-1972 and was charged accordingly. Therefore, the two cases are not comparable. Further, it is well nigh impossible for the non-technical railway staff who accept these consignments for booking to find out visually as to whether commodity is iron and steel scrap or iron and steel slag NOC and they have no other alternative

but accept the declaration given by the consignor, especially when the material is coming from a Public Sector Steel Plant. However, the issue of classification of this commodity has been remitted to the Rail Tariff Enquiry Committee 1977 who are going into the entire question of railway freight structure.

Para 2.18

It is true that till 14-2-1972 freight was charged on the material offered at Durg as iron and steel scrap on the declaration of the consignors. However, even after the new classification of iron and steel slag was introduced w.e.f. 15-2-1972, the commodity was charged as per declaration of the consignors. The sale order HSL/Bhilai communicated that the material was open hearth slag mixed with iron and steel slag lying in, the area. Although Chemical analysis of the material indicated ferrous content, in the absence of clear distinction and guidelines for charging these items, it was not possible for the non-technical railway staff at Durg to clearly distinguish and identify the material offered and, therefore, they went by the declaration of the consignor, especially when the consignments were coming from a Public Sector Steel Plant. Therefore, there was no deliberate act on the part of the station staff at Durg to favour the party by charging a lower rate. It is not correct to say that the railway administration started charging the freight at the lower classification knowing fully well that the commodity booked was scrap because the non-technical railway booking staff had no other alternative but to go by the declaration given by the consignor as they cannot distinguish between slag and scrap usually.

Para 2.19

The question as to whether the commodity offered at Bhilai should be charged as iron and steel slag NOC or iron and steel scrap has been remitted to the Rail Tariff Enquiry Committee 1977 and a decision will be taken after their recommendations are received. Since there is no criteria laid down as to what is iron and steel slag and what is iron and steel scrap, the question of recovering undercharges does not arise."

1.11. The Committee are surprised to note that the Railway Administration still persists in maintaining that the action of the Durg Station staff in charging a lower tariff rate for iron and steel slag could not be objected to. The emphasis now being laid on the declaration by the consignors is obviously misplaced. It is well-known that till February, 1972 the Railway Administration was charging the freight on the consignments containing slag mixed with iron and steel scrap at the class rate applicable to iron and steel scrap. However, from 15 February 1972, following the introduction of a lower classification for iron and steel slag, the firms took advantage of the lower rates by just declaring the commodity, i.e., slag mixed with iron or steel scrap as iron and steel slag in the forwarding notes. A mere change in the declaration by the firms enabled them to get benefit of lower freight rate although the commodity remained the same, the destination was the same while the same commodity offered at the two neighbouring stations of Tatanagar and Rourkela continued to be charged at the old rates. Further when in June 1973 the Travelling Inspector of Accounts, Durg pointed out the obvious discrepancy, the Durg station also started charging freight for the commodity at the rates applicable to iron and steel scrap. This only goes to prove that the station staff deliberately erred in favour of the firm without caring to take instructions from the higher authorities in regard to the correct levy of freight on the iron and steel slag. It is in this context that the Committee had asked for a thorough inquiry with a view to find out whether there was a collusion between the firms and the booking staff at Durg station. The Committee cannot but reiterate their earlier recommendation.

1.12. The Committee do not appreciate the Ministry's plea that the non-technical railway staff who accept these consignments for booking have to accept the declaration given by the consignor. This would imply that even the prohibited articles such as explosives could be booked if the consignor just declared that they were not explosives. The fact that the iron/steel slag was being received from a public sector undertaking does not absolve the railway authorities from exercising the requisite scrutiny in the booking of consignments. It is to be noted that the consignors and consignees were private parties.

Railway dues against power houses (Sl. No. 43—Para 2.98)

1.13. Commenting on the accumulation of huge arrears of Railway freight and other charges against the Delhi Electric Supply Undertaking and the Uttar Pradesh State Electricity Board, the

Committee had, in paragraph 2.98 of the Report, made the following observation:

"The Committee are concerned at the accumulation of huge arrears of Railway freight and other charges amounting to Rs. 14.33 crores and Rs. 6.43 crores as on 1 June 1976 against the Delhi Electric Supply Undertaking and the Uttar Pradesh State Electricity Board respectively. While the Committee appreciate the efforts made by the Ministry of Railways to recover the outstanding dues from these two organisations, they are, however, unhappy at the lukeworm attitude of these bodies to liquidate their arrears. The Committee would like the Ministry of Energy to initiate action in consultation with the Delhi Administration and the State Government of UP for the expeditious settlement of the Railways dues and report to the Committee the progress of the recovery of dues within six months."

1.14. In their Action Taken Note dated 31 July 1978, the Ministry of Energy (Department of Power) have stated:

"In so far as DESU is concerned there are almost no arrears in respect of payment of railway freight bills by DESU after 1.4.1976 and all claims received up to December, 1977, stand cleared. Against the amount of Rs. 18.64 crores claimed on this account from 1.4.1976 to 31-12-77 an amount of Rs. 18.32 crores was paid by DESU.

The undertaking has, however, not been able to discharge the old liability of Rs. 9.94 crores as per DESU on this account for the period prior to 1.4.1976 owing to the financial difficulties of the Undertaking mainly as a result of their inability to revise the electricity tariff and escalation in the costs of all imports like cost of coal, purchase of power, establishment, etc. DESU has since revised their tariff on 1.4.1976 and now again from 1-4-1978. It is hoped that this increase in tariff coupled with steps for economy in expenditure, better efficiency, recovery of outstanding dues to it. etc., it would be possible to generate more internal resources for repayment of outstanding liability. Matter has been discussed a number of times with G.M., DESU for expeditious clearance of the outstandings to Railways. It is understood that the General Manager, DESU is undertaking steps to release a sum of about Rs. 1 crore towards the old arrears (Rs. 60 lakhs immediately and the balance in the near future).

In so far as UPSEB is concerned the Board has been asked to take adequate steps to liquidate the outstanding coal freight payable to Northern Railways. The arrears accumulated during the year 1976-77 were practically liquidated by the end of March, 1977 and as on March 1977 only Rs. 1.01 crores was outstanding which was outstanding due to differences between the figures of claim by Railways and due payment by the Board.

As per information given by UPSEB, due to financial difficulties being faced by them, the coal freight started accumulating again but by adjustment of amount payable for traction, energy supply bills @Rs. 60 lakhs per month, and by central payment amounting to Rs. 2.50 crores during the year, the balance due to Railways now stands approximately Rs. 2.75 crores which is expected to be cleared during the current year by adjustment of Railway traction bills @Rs. 60 lakhs per month."

1.15. The Committee are perturbed to note that an amount of more than Rs. 9 crores is still due to be paid by the Delhi Electric Supply Undertaking to the Railways on account of the old liability for the period prior to 1st April 1976. It is all the more surprising to note from the Ministry of Energy's reply that the DESU was facing financial difficulties as a result, inter alia, of its inability to revise the electricity tariff. The DESU has revised their tariff on 1st April 1976 and again from 1st April 1978 and if even after the sharp increase in the tariff rates effected from 1st April 1978 the DESU are not able to break even and discharge their old liabilities, the Committee would like to emphasize that Government should have a fresh look at the financial management of this undertaking. There is a limit to which the poor consumers of electricity in the capital city can be made to pay for the inefficiency of an organisation like DESU. The Committee recommend that the Ministry of Energy should direct their immediate attention to this aspect of the matter and initiate necessary remedial steps for improving the financial viability of DESU.

CHAPTER II

RECOMMENDATIONS AND OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

A comprehensive review of the performance of the three important marshalling yards of the Eastern Railway, namely, Chitpur, Naihati and Andal, was undertaken by the Audit, whose report has brought out into sharp focus the deficiencies and the drawback to which these yards are subjected to. Chitpur yard is a pivotal point in regard to goods traffic from Calcutta Port and also the areas further down Calcutta. It has been admitted by the Ministry of Railways that "the proper functioning of this yard is very essential to maintain fluidity in operation in and around Calcutta area". Being one of the most important yards in the down country areas of Calcutta, a Senior District Traffic Superintendent is handling both the operating and commercial work. The Andal Yard is important for traffic to and from Calcutta area and the Calcutta Port. It also serves as a base yard for the colliery pit yard which serve 50 per cent of the coal mines in the Raniganj coal field areas. It has been stated by the Ministry of Railways that the pattern of operation in the Andal area had undergone basic changes in the 1970's the most important of which was changeover from steam traction to diesel and electric traction. The Naihati yard caters to the industrial belt on the east coast of the Ganga from Kalyani to Agarpara. In addition to dealing with the traffic relating to jute and rolling mills this yard forms daily four to five empty rakes for the collieries for loading coal for thermal power stations etc. Short distance trains for Sealdah, Chitpur, Ranaghat Junction and Krishnapur Junction stations are also formed here. The traffic to Bangladesh and *via* started from 1st June, 1973. It has been stated by the Ministry of Railways that the work of Naihati is handled by a Station Superintendent, being of small dimension as compared to Chitpur.

[Sl. No. 1, Para 1.138 of 11th Report of PAC
(1977-78)]

Action Taken

The observations of the Committee have been noted. This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 77-BC-
PAC|VI|11(1) dated 24-4-1978|4 Vaisakha 1900]

Recommendation

Coming to the actual performance of the Chitpur Yard as analysed by Audit, the Committee note that an estimate of Rs. 20.04 lakhs for the remodelling of the Yard was sanctioned in 1958. Though the major part of remodelling work was completed by March, 1962, some residual works including Signal and Telecommunication works were completed as late as 1976. The Committee feel that a long time of 17 years taken in the completion of a comparatively simple work of lengthening of receiving and despatch lines in Chitpur Yard can by no means be justified. It is surprising that while the civil engineering portion of that work was completed earlier, the signalling and electrical portion was held up because certain leads in this portion could only be completed in March 1972. The Committee deplore this lack of synchronisation. The Chairman, Railway Board has conceded during evidence that the delay in the execution of the work was 'unfortunate' and that 'he cannot find any valid reason for it'. The Committee takes a serious view of such delays and would like the Railway Board to investigate the matter fully so as to fix responsibility for the same as also to take remedial measures to obviate recurrence of the same.

[Sl. No. 2, Para 1.139 of 11th Report of PAC (1977-78)]

Action Taken

There was delay in finalisation of Completion Report but not in completion of the works. While some minor works remained to be completed the remodelling facilities were brought into use in 1965.

The estimate, however, was kept open for completion of the minor works and to bring into account all debits, credits and adjustments. There was a delay in procurement of floodlight projectors which were installed in 1972. The Completion Report for Rs. 20,000 worth was submitted in 1976. For these clerical lapses, in drawing the Completion Report the staff concerned have been suitably taken up so as to prevent such failures.

This has been seen by Audit who have stated that facts are under verification by Chief Auditor, Eastern Railway and further communication will follow if any changes are required.

[Ministry of Railways (Railway Board) O.M. No. 77-BC-PAC|VI|11(2) dated 4-5-1978|14 Vaisakha, 1900]

Recommendation

The Committee takes a serious view of such delays and would like the Railway Board to investigate the matter fully so as to fix responsibility for the same as also to take remedial measures to obviate recurrence of the same.

[Sl. No. 2, Para 1.139 of 11th Report of PAC (1977-78)]

Action Taken

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[Ministry of Railways (Railway Board) O.M. No. 77-BC-PAC|VI|11(2) dated 4-5-1978|14 Vaisakha, 1900]

Recommendation

The Committee have been informed that detentions to wagons at a particular point do not materially affect the wagon availability for loading in a particular railway or on all-India basis. The real criterion for judging the wagon availability is the wagon turn-round i.e. the time interval which elapses between two successive loading of a wagon. It has been stated during evidence that the wagon turn-round in 1975-76 has recorded improvement as compared to the previous years. The figures of wagons turn-round given in the Railway Board's publication entitled "Indian Railways Year Book—1974-75" however tells a different story. The wagon turn-round of 11.8 days in 1965-66 had deteriorated to 13.5 days in 1971-72 on B.G. This figure had further gone down to 15.0 days in 1973-74 and 14.6 days in 1974-75. Similarly, on the Meter gauge, the picture was one of the continuous decline from 8.4 days in 1965-66 to 12.5 days in 1973-74 and 12 days in 1974-75. In the context of the above, the improvement recorded in 1975-76 in the index of wagon turn-round on

BG is welcome. The Committee trust that continuous efforts would be made to sustain the improvement recorded in wagon turn-round during the year 1975-76.

[Sl. No. 8, Para 1.145 of 11th Report of PAC (1977-78)]

Action Taken

The observations of the Committee have been noted. The performance in 1976-77 indicates a further improvement over 1975-76 as shown below:—

		(Turn-round in days)	
		Broad gauge	Metric gauge
1975-76	. . . . .	13.5	11.6
1976-77	. . . . .	13.0	11.1

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 77-BC-PAC/VI/11(8) dt.11-4-1978/18 Chaitra, 1900]

Recommendation

Another reason given for detention of wagons in Chitpur Yard is the excessive time lag between loads awaiting despatch and the materialisation of power. The Committee has been given to understand that in the present days operations under electric traction such detentions are inherent as there is no automatic matching of loads and locomotives. In fact the study of records for 1974-75 by Audit has disclosed that the average time lag between loads awaiting despatch and materialisation of power was about 5 hours. According to the Member (Traffic) the time lag of 5 hours is excessive. He has conceded that in the present working conditions the time lag should be round about 3 hours. The Committee feel that the problem of detention of loads stated to be inherent in the operations under electric traction needs to be reconsidered in depth with a view to rationalising the use of costly electric locomotives. They have no doubt that further refinements can be made for reducing the time lag between the formation of trains and ordering of locomotives.

[Sl. No. 14, Para 1.151 of 11th Report of the PAC (1977-78)]

Action Taken

The emphasis on saving detentions to costly electric and diesel locomotives in preference to wagon detentions is axiomatic. Under this traction the objective is to keep a train ready in the despatching yard for being picked up by electric and diesel locomotives and when they arrive i.e. with the least possible detention to the locomotives. It has already been submitted to the Committee that time lag of about 3 hours i.e. between the time the wagons which are ready for despatch to the time a locomotive becomes available is considered reasonable. Any further reduction in the time lag if the same is set as a goal may lead to detentions to locomotives. The linking of the first available locomotive to the train that is ready is also always kept in view, so that detention to locomotives and also wagons is the minimum.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 77-BC-PAC/VI|11 (5—7, 14—17 & 23—25) dated 16-5-78, 26 Vaisakha, 1900]

Recommendation

Still another reason for detention of wagons in the yard was the blocking of the unloading space in the yard mainly due to non-release of wagons by the consignees within the free time allowed. There are two aspects of the problem. One is that since the yard is stated to be space-bound there is only limited capacity for the handling of loaded wagons and hence the wagons in excess of the handling capacity of the yard have inevitably to wait till the delivery lines are clear. The other aspect is that the consignees do not take delivery in time and prefer to undergo some penalty in the form of demurrage charges. So far as the space aspect is concerned the Railway Administration may well have to reassess the existing capacity of the yard with reference to the traffic being handled and take suitable remedial measures including extension of the yard space by remodelling, if necessary.

[Sl. No. 17 Para 1.154 of 11th Report of PAC (1977-78)]

Action Taken

Chitpur Yard is space-bound and extension of the yard would involve demolishing private buildings etc. which is not feasible. Planning is on hand to have additional terminal yards such as the

one at Dankuni to relieve the pressure at Chitpur and other existing yards.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 77-BC-PAC|VI|11 (5—7, 14—17 & 23—25) dated 16-5-1978, 26 Vaisakha, 1900]

Recommendation

The analysis made by Audit in regard to the functioning of the Chitpur yard for the selected month of November, 1974 has revealed that in that month 20,430 wagons had been detained in the yard for different reasons for as many as 5,06,664 hours. Similarly the position in other months of the year such as September 1974 and February, 1975 was also not different. In the case of Naihati yard, during the selected month of January 1975 wagons suffered detentions at the rate of 119.5 hours per wagons, on the average, against the permissible detention of 21.23 hours per wagon. The total detentions suffered by wagons in one month in these yards thus add up to a staggering figure.

[Sl. No. 24, Para No. 1.161 of 11th Report of PAC (1977-78)]

When viewed in their totality the Committee are led to the conclusion that the total detentions suffered by wagons as has been brought out in the Audit paragraph, cannot but impair the general mobility of wagons on the Railways as a whole, even though the Chairman Railway Board and Member (Traffic) Railway Board were of the view that the detentions at a particular point do not determine the efficiency or inefficiency of the movement of wagons. It is not clear to the Committee how the detentions of this magnitude, even though they are relatable to particular yards, will not have their impact on the overall wagon turn-round on all railways.

[Sl. No. 25, Para No. 1.162 of 11th Report of PAC (1977-78)]

Action Taken

The views expressed by the Chairman, Railway Board and the Member (Traffic) Railway Board were in reply to the question put by the Committee whether the detention to wagons in marshalling yards for periods for above the targets would not indicate that the effective wagon fleet has been reduced in number. It was clarified that such a feature would no doubt result in lesser availability of wagons as also recorded in paras 1.33 and 1.34 of the Committee's Report, the ability of the Railways to provide for traffic cannot be

gauged by detentions at any individual points. These detentions have to be viewed in its totality. For example, even though time taken at a particular yard may be more, the wagons may skip the intermediate yard en-route and thereby detentions are saved. The Railways however, would continue to take steps to eliminate all avoidable detentions.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 77-BC-PAC|VI|11 (5—7, 14—17 & 23—25) dated 16-5-1978/26 Vaisakha, 1900]

Recommendation

As pointed out earlier by the Committee, the analysis of the performance of the three yards of Chitpur, Naihati and Andal has brought to surface many ills of the marshalling yards. Except for certain peculiar problems faced by individual yards the general nature of the operations of most of other yards would perhaps be similar. The Committee therefore need hardly emphasise that the Railway Board may instruct each Zonal Railway to have the working of the marshalling yards under them examined in the light of the experience gained by the review of the performance of three yards of the Eastern Railway. The Committee consider that such detailed analysis of the working of each yard will help the authorities to come to grips with the problems of the yards.

[S. No. 26, Para 1.163 of 11th Report of PAC (1977-78)]

Action Taken

Instructions have been issued to the Zonal Railways as desired by the Committee.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 77-BC-PAC|VI|11 (20 & 26) dt. 16-5-78/26 Vaisakha 1900]

Recommendation

The Committee note that the Railway Board issued on 26 October, 1974 certain routing and rating instructions under the rationalisation scheme which were to come into force w.e.f. 15 November, 1974. Though Railways Ministry consider four weeks as reasonable time for the Railway Administration for implementing such changes, yet in this very case a period of only 20 days was allowed. The Committee regret that in spite of knowing the fact that time allowed was not sufficient to implement the instructions in the normal course, the Ministry of Railways did not take any special steps to ensure that

these instructions reached the stations sufficiently before 15 November, the day from which the changes were to be effected.

[S. No. 33, Para 2.57 of 11th Report of PAC (1977-78)]

Action Taken

The delay in the receipt of instructions issued by the Ministry of Railways on 26th October, 1974 was on account of the time taken by the Northern Railway Headquarters/Divisional Offices in making out instructions to the Divisions/stations. To avoid such delays in future, the cyclostyling work has been centralised at Headquarters' itself so that no further delay takes place in the Divisional Office.

Normally four weeks' time is considered reasonable for implementing such orders, but when, however, it becomes necessary to do so in a shorter period, special steps will be taken i.e. cyclostyled instructions will be issued from the Ministry itself.

This has been seen by Audit who have stated that the factual position is under verification by Chief Auditor, Northern Railway. Further communication will follow in due course.

[Ministry of Railways (Railway Board) O.M. No. 77-BC-PAC|VI|11-33—41) dt. 19-5-78/29 Vaisakha 1900]

Recommendation

The Committee further note that the letter of 26 October, 1974 was received by the Headquarters Office of Railway Administration on 30 October 1974 and the Headquarters Office took further 25 days to issue instructions in this regard to Divisions on 25 November 1974. Again, Ferozepur Division, in its turn sent these instructions to the stations concerned on 12 December, 1974 and some of the stations received them as late as January 1975. The Committee are unhappy at the abnormally long time taken at various stages in transmitting urgent instructions to stations concerned by the various agencies of the Ministry of Railways. They would like the Ministry to investigate the reasons for delay at various stages with a view to fixing responsibility and taking remedial measures for future. The Committee would like to be apprised of the action taken against the erring officials.

[S. No. 34, Para 2.58 of 11th Report of PAC (1977-78)].

Action Taken

The dealing clerk involved in this particular case, who was responsible for the delay, has since expired. An investigation has re-

vealed that the delay was mainly on account of failure of an individual staff in dealing with the matter expeditiously for which suitable instructions have been issued. There was no failure of the machinery as such.

This has been seen by Audit who have stated that the factual position is under verification by Chief Auditor, Northern Railway. Further communication will follow in due course.

[Ministry of Railways (Rly. Board) OM No. 77-BC-VI—PAC/11 (33—41) dt. 19-5-78/29 Vaisakha 1900]

Recommendation

The Committee note that rules under paragraphs 2514 and 2515 of the Indian Railway Commercial Manual Vol. II state that if wagons are placed in a Railway siding for unloading without effecting the book delivery and collecting the freight and other charges due, it should be ensured that there is no delay in effecting book delivery and collecting the charges due. The Committee, however, find that Delhi Electric Supply Undertaking had not been surrendering railway receipt immediately after the wagons had been placed for unloading in the siding before book delivery and in some cases Railway receipt had been surrendered after the lapse of six months thus resulting in delayed billing of freight and other charges. Consequently, huge arrears of outstanding freight and other charges on coal wagons running into crores of rupees have accumulated against the Undertaking thereby straining the economy of the Railways. According to the calculations of the Ministry of Energy, the time lag involved in the receipt of the Railway Receipts by the power house authorities and surrendering the same to the Railway ranges between 3 to 4 months under normal circumstances. The Committee are unable to appreciate the cumbersome procedure adopted by Coal Supplying Agencies in forwarding the railway receipts from the pitheads to the Delhi Electric Supply Undertaking. The Railway Receipts pass through so many agencies that these get unduly delayed for several months. The Committee need hardly emphasise that the Ministry of Energy should devise steps to ensure prompt delivery of railway receipts to the consignees.

[S. No. 42, Para 2.67 of 11th Report of PAC (1977-78)]

Action Taken

The total time taken in submission of RRs to DESU from the date of loading/issue of RRs relating to the period from June, 1977

December, 1977 and then from April, 1978 onwards is indicated below:

A. For the period from June, 1977 to December, 1977.

Time taken (No. of Days)	Number of Bills involved		
	ECL	CCL	BCCL
1-10 . . . . .	..	39	..
11-20	135	99	26
21-30	67	13	94
31-40 ¹	5	24	43
41-50	3	—	35
51-60 ¹	14	2	23
61 and above	2	1	4

B. For the period from April, 1978 onwards:

	ECL	CCL	BCCL
1-15 ¹	92	29	65
16-20	30	8	10
21-25 ¹	1	2	5
26-30 . . . . .	..	..	5
31-35 . . . . .	..	..	7
Above 35 days . . . . .	..	..	1
	123	39	93

3. While according to the Public Accounts Committee, the time lag involved in the receipt of the Railway receipts by the power house authorities and surrendering the same to the Railways ranges between 3 to 4 months under normal circumstances, it will be seen from the figures given in the table above that even during the period June, 1977 to December 1977 when PAC submitted to DESU its report, the bulk of the RRs used to be submitted to DESU within 30 days. The percentage of RRs submitted within 30 days works out to 87 per cent in the case of ECL, 85 per cent in the case of CCL and 53 per cent in the case of BCCL. For the period April, 1978 onwards cent per cent RRs were submitted to DESU within 30 days by ECL and CCL and in the case of BCCL it improved to 91.4 per

cent. There seems to be thus now no delay on the part of the subsidiaries of Coal India Limited in surrendering the RRs. The subsidiary companies are making efforts to further reduce the time gap in the despatch of RRs.

(Ministry of Energy, Deptt. of Coal O.M. No. 54012/2/78-CPD
New Delhi, the 16th Aug., 1978).

Recommendation

The Committee are concerned at the accumulation of huge arrears of Railway freight and other charges amounting to Rs. 14.33 crores and Rs. 6.43 crores as on 1st June, 1976 against the Delhi Electric Supply Undertaking and the Uttar Pradesh State Electricity Board respectively. While the Committee appreciate the efforts made by the Ministry of Railways to recover the outstanding dues from these two organisations, they are, however, unhappy, at the lukewarm attitude of these bodies to liquidate their arrears. The Committee would like the Ministry of Energy to initiate action in consultation with the Delhi Administration and the State Government of UP for the expeditious settlement of the Railways dues and report to the Committee the progress of the recovery of dues within six months.

[Sl. No. 43, para 2.98 of 11th Report of PAC (1977-78).]

Action Taken

In so far as DESU is concerned there are almost no arrears in respect of payment of railway freight bills by DESU after 1-4-1976 and all claims received upto December, 1977, stand cleared. Against the amount of Rs. 18.64 crores claimed on this account from 1-4-1976 to 31-12-1977, an amount of Rs. 18.32 crores was paid by DESU.

The Undertaking has, however, not been able to discharge the old liability of Rs. 9.94 crores as per DESU on this account for the period prior to 1-4-1976 owing to the financial difficulties of the Undertaking mainly as a result of their inability to revise the electricity tariff and escalation in the costs of all imports like cost of coal, purchase of power, establishment, etc. DESU has since revised their tariff on 1-4-1976 and now again from 1-4-1978. It is hoped that this increase in tariff coupled with steps for economy in expenditure, better efficiency, recovery of outstanding dues to it, etc., it would be possible to generate more internal resources for repayment of outstanding liability. Matter has been discussed a number of times with G.M., DESU for expeditious clearance of the outstandings to Railways. It is understood that the General Manager, DESU is undertaking

steps to release a sum of about Rs. 1 crore towards the old arrears (Rs. 60 lakhs immediately and the balance in the near future).

In so far as UPSEB is concerned the Board has been asked to take adequate steps to liquidate the outstanding coal freight payable to Northern Railways. The arrears accumulated during the year 1976-77 were practically liquidated by the end of March, 1977 and as on March, 1977 only Rs. 1.01 crores was outstanding which was outstanding due to differences between the figures of claim by Railways and due payment by the Board.

As per information given by UPSEB, due to financial difficulties being faced by them, the coal freight started accumulating against but by adjustment of amount payable for traction, energy supply bills @ Rs. 60 lakhs per month and by central payment amounting to Rs. 2.50 crores during the year, the balance due to Railways now stands approximately Rs. 2.75 crores which is expected to be cleared during the current year by adjustment of Railway traction bills @ Rs. 60 lakhs per month.

[Ministry of Energy (Deptt. of Power) O.M. No. G-25017/19/77-Bud.; dated the 31st July, 1978]

Recommendation

The Committee regret that against another Rs. 1.89 crores due from Delhi Electric Supply Undertaking on account of price of coal and freight charges of 3316 wagons of Public coal diverted to them to meet their contingencies during the period January 1973 to December, 1974, the Undertaking could pay only Rs. 10 lakhs to Railways so far. The Committee need hardly point out that a public undertaking of the stature of Delhi Electric Supply Undertaking should honour its commitments without loss of further time.

[Sl. No. 44 Para No. 2.99 of 11th Report of PAC 1977-78.]

Action Taken

The matter was taken up with Delhi Electric Supply Undertaking who have informed that they have lodged claims for 1,560 wagons of coal pertaining to DESU but diverted to other agencies by the railway authorities. In accordance with the past working practice, the Railway Authorities normally carry out adjustments of the wagons diverted to DESU against the claims lodged by them. Railway

Authorities are regularly being requested by DESU to take necessary action to carry out such adjustments.

[Ministry of Energy (Deptt. of Power) O.M. No. G-25017/19/77-Bud.; dated the 31st July, 1978.]

Recommendation

The Committee appreciate that the Railways have extended certain concessions to the Power Houses of Delhi Electric Supply Undertaking and Uttar Pradesh State Electricity Board by not charging and interest on belated payments and also granting delivery of consignments meant for them without realising freight etc. However, they find that no reciprocal goodwill gesture is shown by these bodies towards Railways by not leaving any surcharge or by allowing the usual rebate even in the event of delayed payment of electricity bills payable to them by the Railways.

[Sl. No. 45 Para 2.100 of 11th Report of PAC (1977-78).]

Action Taken

This matter was also taken up with DESU who have informed that they are allowing 30 days to the Railway authorities for making payments of Energy bills as against 15 days allowed to other public consumers. Further while carrying out certain adjustments of the energy bills against the dues of the railway for the period January, 1975 to November, 1976, energy charges only had been accounted for, and the amount of surcharge was not taken into account. Subsequently, also though there had been delays in payments of electricity bills by the Railway Authorities, yet the amount of surcharge has not been paid by them. Moreover, the Railway Authorities had never approached DESU for waiver of such surcharge in the past. DESU would consider such requests as a reciprocal goodwill gestures on their receipt.

UPSEB have informed that they are not charging any surcharge on the delayed payment of traction, energy supply bills because of the adjustment of the same against Railway freight. A copy of the order issued in this connection is enclosed (Annexure) which is self explanatory. The position during the current year also continued to be the same. Therefore, it is not correct that Board is not showing enough gesture by not charging surcharge.

[Ministry of Energy (Deptt. of Power) O.M. No. G-25017/19/77-Bud.; dated the 31st July, 1978.]

ANNEXURE

UTTAR PRADESH STATE ELECTRICITY BOARD
'SHAKTI BHAWAN'

14-ASHOK MARG LUCKNOW

No. 10710|CBO|W-4|F-I

Dated August 10, 1977.

All Executive Engineers,
U.P. State Electricity Board.SUBJECT.—*Surcharge on Railway Traction Bills.*

Under the existing arrangements with the Railways, Electricity Bills of Railway traction are adjusted by them against coal freight arrears with effect from the year 1975-76. Certain Divisions have sought for clarification whether surcharge payable by the consumers due to non-payment of bills on due dates may be levied on Railways. In this connection it may be clarified that as an agreement has already been made with the Railways to allow them to adjust the traction bills against coal freight bills there is no question of levying the surcharge on traction bills. It is, therefore, requested that surcharge on traction bills levied during the years 1975-76 and 1976-77 may immediately be withdrawn. As the adjustment of traction bills is likely to continue during the current financial year, surcharge on traction bills should not be levied during 1977-78 till further orders.

Please acknowledge receipt of this letter and report compliance immediately.

Sd/- B. N. NALIGA,

Chairman.

No. of date.

Copy to:—

1. Addl. Chief Engineer (Com.) UPSEB, Lucknow.
2. To Chief Zonal Engineers, UPSEB.
3. Addl. Chief Engineer (Maintenance), Harduaganj.
4. General Manager, KESA, Kanpur.
5. GM, Obra Project, Obra (M).
6. All S.Es. UPSEB.
7. All R.A.O./P.A.O.
8. Chief Accounts Officer, UPSEB.
9. Director Internal Audit, UPSEB for information and n.a.

Sd/- B. B. JINDAL,

Controller of Banking Operations and Funds.

Recommendation

The Committee are concerned to note that Railway dues to the extent of Rs. 4.29 crores are outstanding against various other power houses as on 30th June, 1976 by way of cost of coal, freight and demurrage charges. The Committee would like the Ministry of Railway to make concerted efforts for the recovery of these dues from the power houses. In this connection they would also like the Ministry of Energy to issue general instructions to the State Governments concerned for expeditious settlement of railway dues against the power houses. The Committee would like to be apprised of the position in this regard in due course.

[Sl. No. 46, Para 2.101 of 11th Report of PAC (1977-78).]

Action Taken

The Ministry of Energy have already issued instructions in January, 1978 to the State Government concerned to instruct Power Station Authorities for expeditious settlement of Railway dues.

[Ministry of Energy (Deptt. of Power) O.M. No. G-25017/19/77-Bud.; dated the 31st July, 1978]

Recommendation

2.115. The Committee find that the siding charges for three sidings served by Amritsar Station which were revised from 1st January, 1969 were lower than the rates existing immediately prior to this date. When this position was brought to the notice of the Divisional Commercial Superintendent, Ferozepur by the Goods Inspector of Amritsar, the former made no efforts to have the reasons for reduction in the rates checked up or to refer the matter to the General Manager (Rates) who had approved the rates. Instead, he advised that the revised lower rates be charged.

2.116. The Committee feel that the lapse of the Divisional Commercial Superintendent, Ferozepur in not taking corrective action when a specific instance of incorrect levy of siding charges had not been calculated as per approved formula, a review of the needs to be looked into. This is considered important because when the Audit pointed out in August 1969 that the revised siding charges had not been calculated as per approved formula, a review of the traffic data was ordered by the Railway Administration. It was on the basis of the review that the rates were revised upward on 29th April, 1972 (with retrospective effect from 1st January, 1969) and Rs. 89,123 became recoverable from the three siding owners.

2.117. The Committee are surprised to note that the major reduction in siding charges was due to incorrect data supplied by the Goods Inspector, Amritsar. The Committee need hardly emphasise that the reasons for furnishing incorrect data may be gone into so as to fix responsibility. They would also like to know the remedial action taken in the matter to obviate recurrence of such lapses.

2.118. The Committee also find that the revised rates notified on 29th April, 1972 are also lower than the rates prevalent prior to 1st January, 1969. The Committee would like the Railway Administration to once again check-up if the revised rates are in conformity with the approved formula.

2.119. The Committee note that of the Rs. 89,123 due from the three siding owners as arrears, the recovery has since been effected from one and the remaining two cases are under Arbitration|Sub-judice. The Committee would also like to be apprised of the progress made in these cases.

[Sl. Nos. 48 to 52, Paras 2.115 to 2.119 of 11th Report of PAC (1977-78).]

Action Taken

The Railway Ministry note the recommendation of the Public Accounts Committee made in para 2.16 of their report regarding the lapse of the D.C.S. Ferozepur in not taking corrective action when a specific instance of incorrect levy of siding charges had been brought to his notice by the Goods Inspector Amritsar. Northern Railway has issued suitable instructions to all concerned to prevent recurrence of such lapses *vide* copy of circular enclosed.

2. As regards furnishing wrong information by the Goods Inspector and the Traffic Inspector (Accounts) Amritsar, no action could be taken against them as both of them have retired from service. However, to avoid recurrence of such lapses, all Divisions have been advised that the data in connection with fixation of siding charges should henceforth be jointly signed by the Sr. Divisional Commercial Superintendent and Sr. Divisional Operating Supdt. of the Division concerned. A copy of the Circular issued to the Divisions is enclosed. (*Annexure*).

3. As regards payment of outstanding railway dues, there is no amount outstanding against M/s. Amritsar Sugar Mills. This has been adjusted against their claims pending with the Railways. However, the cases relating to outstanding siding charges against M/s.

OCM and Amritsar Rayon and Silk Mills, Amritsar have been referred for arbitration and the award of the Arbitrator is still awaited.

4. The observations in para 2.118 have also been brought to the notice of the Railway Administration for necessary action.

This has been seen by Audit who have stated that the facts are still under verification by the Chief Auditor, Northern Railway and further communication will follow if necessary.

[Ministry of Railways (Railway Board) O.M. No. 77-BC-PAC|VI|11 (48—52), dated 10-5-1978|20 Vaisakha, 1900).]

ANNEXURE

Copy of Goods Branch Circular No. 63 of 1976 issued by Chief Operating Supdt. and Chief Comml. Supdt., Jointly.

Case No. 1-AC:O|Traffic
Data Rates dt. 6-3-1978.

JOINT OPERATING AND COMMERCIAL CIRCULAR

It is observed that the traffic data regarding No. of trips made to the siding and No. of wagons handled submitted by the Divisions for fixing or revising siding charges is not correctly compiled. In order to ensure correct compilation of this data in future, it should be jointly scrutinised by the Sr. D.O.S. and Sr. D.C.S. and this fact should be mentioned in the covering letter of the division forwarding the data to the Hd. Qrs. Office.

CHAPTER III

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

Recommendation

It has been stated by the Railway Board that the remodelling of Chitpur Yard was based on the need for increasing the loads of freight trains due to introduction of electric traction. A major portion of the expenditure was for extension of receiving and despatched lines for running 70 wagons trains. The remodelling did not however eliminate the basic limitation of cross movements required for transfer of stock from the sorting yard to the despatch yard as the yard was stated to be space-bound. The Audit Paragraph however points out that in the course of remodelling of Chitpur Yard, the layout of the yard was changed to facilitate quick movement of the wagons to and from the yards. That the remodelling of the yard at a cost of about Rs. 20 lakhs has had no impact on the movement of wagon to and from the yard is evident from the fact that although the number of wagons dealt with in Chitpur had considerably decreased as compared to the preremodelling period, the detentions suffered by wagons in the yard have appreciably increased. Even though the representatives of the Ministry of Railways have tried to explain before the committee that the objectives of remodelling have been realised and that the decline in the number of wagons dealt with in Chitpur yard was mostly attributable to the exceptionally bad socio-economic conditions that prevailed after 1970, the Committee are not convinced. They feel that the gains of remodelling of Chitpur Yard need to be quantified in more concrete terms with a view to see whether the expenditure was commensurate with benefits derived.

(S. No. 3, Para 1.140 of 11th Report of PAC (1977-78))

Action Taken

The major portion (worth Rs. 14.35 lakhs) of remodelling of Chitpur Yard related to extension of receiving and departure lines to cope with the increase in the standard load of trains from 60 wagons to 70 wagons consequent to the introduction of diesel and electric traction. Such remodelling was essential to achieve the

full economy in utilisation of high-powered electric and diesel locos. If the receiving and departure lines were not so extended, it would have become a serious constraint on the formation of trains with full load even though locos could haul such loads and other yards also could form and receive such loads. Thus, both in the interest of better utilisation of loco hauling capacity and the capacity of the yards, the remodelling work at Chitpur has been of good use. Gains of remodelling of Chitpur cannot therefore be quantified by judging the performance of this yard alone. The overall performance of Eastern Railway in terms of Gross Ton Kms. per route km. per annum which has shown improvement over the years reflect the gains of such remodelling not only at Chitpur but elsewhere also. The figures are as under:—

GT Kms. per route KM per annum (in million)

1973-74	12.03
1974-75	12.45
1975-76	13.99
1976-77	14.50

The Railway Board would further submit that as already mentioned in para 1.19 of 11th Report of PAC (1977-78) the remodelling of the four yards on the Eastern Railway, namely those at Chitpur, Andal, Asansol & Sitarampur were taken as a group of works and as per the traffic anticipation the entire group was expected to handle an additional originating loading of 983 wagons. It was also brought out in the same para of the report of the PAC that a productivity test conducted by the Railway Administration had revealed that the additional daily average loading was 1848 wagons.

It may also be mentioned that the functioning of the Chitpur yard has improved in 1975-76, 1976-77 as compared to 1974-75 as may be seen from the following table:—

Year	Daily average No. of wagons dealt with	Detentions to through loaded wagons (average hours)	Detentions to all wagons (average hours)
1974-75 (as given in C&AG's Report)	1,157	38.2	25.0
1975-76	1,312	35.8	24.7
1976-77	1,310	30.8	21.9

This has been seen by Audit who have stated that the figures for the years 1975-76 and 1976-77 in relation to the improved functioning of the Chitpur Yard, as brought out in para 2 of the Action Taken Note are under verification by the Chief Auditor, Eastern Railway and further communication will follow on hearing from him. [Ministry of Railways (Rly. Board) OM No. 77-BC-PAC|VI|11(3) dt. 16-5-78|26 Vaisakha 1900]

Recommendation

On the question of continuous drop in the number of wagons handled at Chitpur after remodelling, the Railway Board have stated that the total intake of wagons on the Eastern Railway in the down country area was itself low and that maximum difficulty was in respect of the cutting of the overhead wires which resulted in a drop in the volume of traffic. According to the Ministry the disturbed conditions prevailing in the Eastern region during 1970—72 would have been a contributory factor for the fall in production resulting in a fall in traffic. According to the Report of the Ministry of Railways (Indian Railways : Central Facts and Major Problems) (Feb. 1974) the number of cases of overhead wire thefts during the years 1970—73 were as follows:—

1970 —	645
1971 —	699
1972 —	121
1973 —	109

It is apparent that there was a distinct fall in the thefts of overhead wires during the years 1972 and 1973 and the position was not so alarming as has been pointed out by the Ministry. The Committee would, therefore, like to be informed in greater detail about the causes which were responsible for the fall in the number of wagons in the Chitpur Yard during the years 1970—74.

[S. No. 4, Para 1.141 of 11th Report of PAC (1977-78)].

Action Taken

The causes that led to the fall in number of wagons dealt with in Chitpur Yard during the years 1970—74 have already been given in the evidence as recorded in paras 1.20 and 1.21 of the Committee's Report. These causes have been further analysed and the position is indicated below.

2. While the incidence of overhead wire thefts was one of the main factors contributing to the deterioration in operation in Cal-

cutta Area during the years 1970—1975, there were many other factors such as deterioration in law and order, agitations, power failures etc. which cumulatively led to a reduction in the volume of traffic handled at Chitpur Yard. The drop in total number of wagons dealt with at Chitpur Yard during these years followed the general pattern of decline in traffic dealt with in the area.

2.1. There was also a fall in the number of wagons carrying jute dealt with at Chitpur Yard, since, previously this was being booked to Cossipore Road via Chitpur Yard from where it was transported by road to various mills. During these years, these wagons were booked by consignors directly to jute mill sidings. Against 16,062 wagons of jute dealt with at Chitpur in 1970, the number of wagons dealt with in subsequent years was progressively less i.e. 13,785 in 1971, 11,324 in 1972, 6,752 in 1973 and 4,669 in 1974.

2.2. There has also been a drop in oilseeds traffic due to more oil mills having come up in and around oilseed-producing areas. Against 4,869 wagons of oilseeds dealt with in 1970, at Chitpur, only 3,466 were dealt with in 1974.

2.3. Running of through block trains to stations such as Kalighat and Budge-Budge also resulted in a reduction in the number of wagons dealt with at Chitpur Yard.

3. This has been seen by Audit who have stated that the factual position is under verification by Chief Auditor, Eastern Railway.

[Ministry of Railways (Railway Board) O.M. No. 77-BC-PAC/VI/11(4) dated 11-7-1978/20 Asadha, 1900].

Recommendation

The Committee are concerned to note that the performance of shunting engines in the three yards of Chitpur, Naihati and Andal deteriorated from the year 1970-71. This involved wastage of locomotive power and delayed clearance of wagons. While explaining the reasons for the deterioration in the performance of shunting engines, it has been stated that from the year 1970 onwards the fall in the originating traffic on the Eastern Railway, as a whole, had its impact on these yards, which handled a lesser number of wagons than before. The shunting engine hours could not however be correspondingly reduced in view of the fact that operations in the various spheres of the yards had to be performed round the clock even though with reduced intensity. During this period no shunting engine could be withdrawn as each had a distinct function. The

Committee however find that the number of wagons dealt with per shunting engine hour recorded a sizeable improvement in 1975-76 although the number of wagons handled by these yards during the year 1975-76 do not show any marked difference as compared to the previous year. The Committee would like to be informed how the substantial improvement stated to have been made during 1975-76 in regard to number of wagons dealt with per shunting engine hour was brought about and what measures are proposed to be taken to sustain it.

[S. No. 10, Para 1.147 of 11th Report of PAC (1977-78)].

Action Taken

The number of wagons dealt with at Chitpur, Naihati and Andal during 1974-75 and 1975-76 and also the average number of wagons per shunting engine hour for the same period are given below:

Yard	Total no. of wagons dealt with		Average no. of wagons per shunting engine hour	
	1974-75	1975-76	1974-75	1975-76
Chitpur	4,16,645	4,80,228	15.9	17.1
Naihati	2,72,630	3,08,118	6.15	6.5
Andal	10,21,252	12,51,715	13.7	16.8

It will be observed from the above that there has been substantial increase in the total number of wagons dealt with in these yards which has also contributed to the improved performance insofar as the number of wagons dealt with per shunting engine hour is concerned.

During the year 1976-77, the average number of wagons dealt with per shunting engine hour has been 19.6, 7.89 and 22.9 respectively which shows that the improvement effected in the earlier year has been sustained.

This has been seen by Audit who have stated that the factual position is under verification with the Chief Auditor, Eastern Railway and further communication will follow on hearing from him.

[Ministry of Railways (Rly. Board)'s OM No. 77-BC-PAC/VI/11(10) dt. 16-5-78/26 Vaisakha 1980]

Recommendation

1.152: The Committee are concerned to note that wagons suffered detentions for long period for reasons which *prima facie* appear to be avoidable. As pointed out in the Audit Paragraph, during the periods October to December, 1973 and October to November, 1974 255 wagons were detained in the Chitpur Yard for periods varying from 48 hours to as many as 1,292 hours per wagon for adjustment of loads and placement of damaged stock in sick lines. Further out of 46 wagons requiring adjustment of loads and transshipment, in the case of 40 wagons the total average detention per wagon intrashipment shed and the yard works out to as many as 397.3 hours. The detention in the transshipment shed was mainly on account of non-supply of crane by the Loco Foreman. The explanation given for the non-supply of crane in time appears to be stretched and unconvincing. The fact that the crane remained out of order from 15 to 25 days in each of the months when the Audit surveyed the working of the yard, only goes to prove how badly the railway assets are maintained.

[S. No. 15 Para No. 1.152 of 11th Report of P.A.C: 1977-78]

1.153: It is also disturbing to note that out of about 1,000 wagons repaired monthly in the sick lines, not less than 150 wagons suffered detention for over 100 hours per wagon mainly on account of delays in placement of these wagons to the sick lines and withdrawal therefrom after repairs, the repair time being barely 8 hours per wagon, on an average. The reasons for such abnormal delays by the yard staff in placing the wagons in different sidings and withdrawing therefrom need to be studied for taking suitable remedial measures.

[S. No. 16, Para 1.153 of 11th Report of P.A.C. 1977-78]

1.160: The Committee find that the position regarding detention of wagons in the Naihati Yard was even more alarming and was by no means better than the Andal yard. In the case of Naihati Yard, against permissible detention of 21/23 hours per wagon, 1442 wagons which terminated at this yard in January 1975, suffered detention for 119.5 hours per wagon on the average. The average detention per wagon for want of cranes was recorded as 264 hours and that for want of covered empty wagons as 101 hours. Further, in Naihati yard while the total time taken for repair was only 4 to 7 hours per wagon, that for placement of these wagons on sick lines and withdrawal after repair averaged to 22.36 hours and 36.33 hours per wagon. Thus detention on account of marshalling etc. was 12 times

the time taken for repairs. The reasons for these abnormal delays need to be investigated and remedial measures taken.

[S. No. 23 Para 1.160 of 11th Report of P.A.C. 1977-78].

Action Taken

The fact that the maintenance of cranes during the period 1973-74 was unsatisfactory has been accepted. In the evidence given by the Member (Traffic) *vide* paras 1.70 and 1.71 of the Report under reference it was also mentioned that the performance of the cranes has since improved. This improvement is being maintained. During the eleven months from January, 1977 to November, 1977 the 10 tonne crane at Naihati and Chitpur remained under repairs only for 4 and 12 days respectively. The 20-tonne crane at Chitpur was out of commission for only 3 days, on an average, per month.

The number of wagons which were detained in excess of 48 hours during the period mentioned by the Audit constituted only 0.14 per cent of the total wagons dealt with. These detentions were also due to delay in unloading of wagons at the sidings before placement at the sick lines.

This has been seen by Audit who have observed as under: Seen. The factual position is under verification with Chief Auditor, Eastern Railway. Further communication will follow in due course.

[Ministry of Railways (Railway Board) O.M. No. 77-BC-PAC/V)/11 (S-7, 14—17 & 23—25) dated 16-5-78, 26, Vaisakha, 1900].

Recommendation

1.155. However, the figures regarding the number of wagons on which demurrage accrued each year, as given in the Audit paragraph suggest that the practice of deliberately delaying the delivery of wagons by paying some demurrage charges is widespread. During the year 1973 out of 20,902 wagons received in the Chitpur yard as many as 5,373 wagons suffered demurrage. Similarly in 1974 out of 19,648 wagons, on 4,525 wagons demurrage accrued. In 1975, the number of wagons on which demurrage accrued was 4,578. The Committee feel that since the levy of demurrage is compoundable at the discretion of the railway authorities, the unscrupulous consignees may be manipulating things for their own advantage. The Committee are surprised to learn that the percentage of demurrage waived to that accrued was as high as 60 in 1973. The Committee fail to understand why such high percentage of the demurrage charges are later on waived. This practice is obviously faulty and

susceptible of being misused inasmuch as it provides a leverage both to the corrupt officials and the dishonest consignees.

Para:

1.156. It has been made out before the Committee that the Zonal Railways enjoy absolute discretion in the matter of levy and waiver of demurrage charges. The Committee would urge the Railway Board to consider forthwith, what mechanism could be evolved to ensure that these powers, which have great financial implications, are not abused. The Committee would like to be apprised of the action taken in the matter.

[Sl. Nos. 18 and 19, Paras 1.155 and 1.156 of IIth Report of PAC (1977-78)].

Action Taken

The demurrage charges are not considered as a source of revenue to the Railways but are more in the nature of a penalty imposed to induce unloading of wagons within the free time allowed by consignees or their agents.

Full powers have been delegated to the Zonal Railways with regard to powers of waiver of demurrage charges mainly with a view to ensure that such cases are dealt with expeditiously, lest the wagons get detained in the yards and goods sheds. It is felt that the officers on the field would be in the best position to appreciate and assess the situation while dealing with these demurrage cases inasmuch as they are on the spot and are in the know of special circumstances of individual cases. There can be, therefore, no rigid yardstick of a quantitative nature which can be universally prescribed and an element of discretion is inevitable in dealing with such cases. No hard and fast rules or rigid guidelines can be laid down for exercising these discretionary powers of waiver. Yet in order to ensure that these powers are exercised judiciously certain broad guidelines have been issued to the Railways taking into consideration the various factors involved. These guidelines are as follows:—

- (a) the need to sustain and attract traffic to the Railways and to assist in the marketing efforts;
- (b) the nature and the value of the goods in relation to the freight and wharfage/demurrage due;
- (c) the amount likely to be recovered, if the goods are not taken delivery of and as a consequence of which the same has to be disposed of by public auction as per rules;

- (d) the extent of damage or deterioration the goods might have suffered;
- (e) the extent of delay in transit;
- (f) the cause for delay in unloading or taking delivery of goods and extenuating circumstances, if any;
- (g) the local conditions at a particular station;
- (h) whether the circumstances under which the wharfage or demurrage charges accrued were really beyond the control of the consignor or the consignee;
- (i) the size of the goods shed and its vulnerability for congestion if the goods are not removed, leading to operating restrictions on this ground; and
- (j) railway's inability to grant delivery on Indemnity Note for want of wagon lables or invoice not received at the destination station.

Instructions have also been issued to the Zonal Railways to the effect that in cases where the amount foregone is in excess of 50 per cent of the discretionary powers vested in the authority raising the demurrage charges the reasons for waiver should be recorded in brief.

3. The extant procedure followed in the Railways through delegation of powers for waiver of demurrage charges is found to be working satisfactorily. If any check or restriction is imposed on the Zonal Railways in this matter it may lead to delay in the disposal of the cases which in turn might result in the loss of goodwill from the customers.

4. Necessary instructions have been given to the Zonal Railways incorporating the above-mentioned guidelines in Railway Board's letter No. TCI/3036/60 2 dated 4-4-77 (Annexure).

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 77-BC-PAC/
VI/11 (18-19) dated 1-4-1978/11 Chaitra, 1900]

ANNEXURE

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

No. TCI/3036 /60/2.

New Delhi, dated 4-4-1977.

The General Managers,
All Indian Railways.

Sub:—Remission of wharfage and demurrage charges.

Ref:—Board's letters No. TCI/3036/60/2 dated 17-2-70, 24-5-71 and 7-6-76.

In the last General Managers conference held on the 30th and 31st July, 1976, it was brought out that the existing demurrage and wharfages rules and rates are stringent and their uniform and rigid application regardless of the local conditions and circumstances tends to inhibit the growth of rail borne traffic. Similar views have been expressed by the trade in various forums as well as by the Marketing and Sales organizations of the Zonal Railways.

It has also been represented that the Railway Officers experience difficulties in exercising their powers of waiver of demurrage and wharfage due to various reasons.

2. The Ministry of Railways after reviewing the extant instructions on the subject desire to clarify the position as under:

- (i) The necessity for the waiver of demurrage/wharfage charges either in full or in part depending on the merits and circumstances of each case is fully appreciated
- (ii) Demurrage/wharfage charges are not considered as sources of revenue to the railways but are more in the nature of penalties imposed, so as to induce the rail users to take appropriate action to unload the goods from wagons and remove them from the railway premises, within the free time allowed.
- (iii) There can be no yard stick of quantitative nature which can be prescribed and a discretionary element will always be there in such cases. No hard and fast rules or rigid guidelines can be laid down for exercising these discretionary powers of waiver. However, the following important aspects and circumstances should be taken into consideration while waiving these charges:—

- (a) the need to sustain and attract traffic to the Railways and to assist in the marketing efforts;
- (b) the nature and the value of the goods in relation to the freight and wharfage/demurrage due;
- (c) the amount likely to be recovered, if the goods are not taken delivery of and as a consequence of which the same has to be disposed of by public auction as per rules;
- (d) the extent of damage or deterioration the goods might have suffered;
- (e) the extent of delay in transit;
- (f) the cause for delay in unloading or taking delivery of goods and extenuating circumstances, if any;
- (g) the local conditions at a particular station;
- (h) whether the circumstances under which the wharfage or demurrage charges accrued were really beyond the control of the consignor or the consignee;
- (i) the size of the goods shed and its vulnerability for congestion if the goods are not removed, leading to operating restrictions on this ground; and
- (j) railway's inability to grant delivery on Indemnity Note for want of wagon labels or invoice not received at the destination station.

3. The above aspects are not exhaustive and there can be other commercial considerations, which may have to be kept in view while waiving the wharfage/demurrage charges.

4. In cases, where the amount foregone is in excess of 50 per cent of the discretionary powers vested in the authority waiving the wharfage and/or demurrage charges, the reasons for waiver should be recorded in brief.

5. These instructions are in supersession of the Railway Ministry's letters referred to above.

Please acknowledge receipt.

sd/-

(R. N. SAXANA)

Jt. Director Traffic Comml. (R)

Railway Board.

Copy forwarded for information to FS-III and Vigilance II with 5 spare copies.

Recommendation

The Committee would like to suggest that a procedure may be evolved which should *inter alia* ensure that periodical progress reports in respect of each yard are submitted to the General Manager, who will have them reviewed in consultation with the Financial Adviser and the Chief Commercial Superintendent of the Zonal Railway. At the Railway Board level there should be a monitoring cell which should keep a contemporaneous watch on the performance of each of the important yards. The detailed procedure to be followed in this behalf may be issued by the Railway Board in the form of guidelines to all the Zonal Railways.

(S. No. 20, Para 1.157 of 11th Report of PAC (1977-78))

Action Taken

In this connection, Railway Ministry would like to invite reference to para 1.123 of the 11th Report of the Public Accounts Committee (1977-78) in which the procedure for review of the functioning of the Chitpur Naihati and Andal yards have been briefly indicated. It may be stated that the functioning of all marshalling yards are kept under constant review as indicated below.

The officers at the Divisional as also the Headquarters level of Zonal Railways keep a close watch on the performance of different yards on a day-to-day basis. The General Managers, along with the Financial Adviser & Chief Accounts Officers and Chief Operating Superintendents of the railways review the monthly statistics which include those pertaining to major marshalling yards. The performance of important marshalling yards is also reviewed at the Board's level in the monthly meetings held at Directors' level where the operating statistics of each Zonal Railway are discussed. These statistics include the performance of major yards.

In view of the detailed procedure for review of the functioning of all the yards already existing, Railway Board would submit that no further detailed instructions would be necessary and that the existing procedure is considered adequate.

This has been seen by Audit.

(Ministry of Railways (Rly. Board)'s OM No. 77-BC-PAC/VI/11
(20 & 26) dt. 16-5-78/26 Vaisakha (1900))

Recommendation

Para:

230. The Committee note that a freight forwarder of Bombay booked in March 1973, 770 drums of Dinitro-chloro Benzene from Carnac Bridge to Ghaziabad describing the contents as Benzene and declaring it as non-dangerous and non-explosive contrary to the provisions of the Freight Forwarder Scheme circulated by the Railway Board in June 1971. The Committee further note that both the products-Dinitro-chloro Benzene and Benzene—are treated as dangerous for the purpose of rail transport and under the Freight Forwarder Scheme, freight forwarder could not book offensive or dangerous goods notified in the Red Tariff. Keeping in view these facts the Committee find it difficult to agree that the freight forwarder had described it non-dangerous in good faith. The Committee are surprised that a leading freight forwarder, who was offering a large number of wagon loads, should plead ignorance of the provisions contained in the Freight Forwarder Scheme while booking a dangerous commodity, which was a potential risk to Railway property. The Commodity booked was dangerous but it was described as non-dangerous and non-explosive, thereby exposing the Railway staff, the Railway property and the public to grave risk. In the opinion of the Committee there was no case for any concession being shown to the freight forwarder as has been done in this case, by remission of penal charges amounting to Rs. 27,989 levied earlier. The fear that the freight forwarder might have retaliated by undercutting Railways freight forwarder rates was imaginary. In any case Railways could not expected to win traffic through unscrupulous freight forwarders and the Committee do not appreciate their attempt to justify their action. The Committee wish that the Ministry of Railways should have taken the above factors into consideration while deciding this case. The Committee would like the Railway Board to devise steps to prevent the recurrence of such cases.

Para:

231. The description given by the freight forwarder of the commodity in the forwarding note was clear and categorical. It was stated as 'Benzene' which has been included in the Red Tariff and this could not be booked for rail transport. The Committee fail to understand how this commodity was accepted for rail transport by the Railway officials in contravention of the rules. This is tantamount to deliberate negligence on the part of Railway officials. The Committee take a serious view of this lapse and would like that the officials who were responsible, should be brought to book.

[S. Nos. 31-32, Paras 2.30 & 2.31 of 11th Report of PAC (1977-78)]

Action taken

2.30. The observations of the Committee are noted. The Ministry of Railways would submit that the following steps have been devised to prevent the recurrence of mis-declaration by freight forwarders:—

- (i) Deterrent penal provision has been made for the misdeclaration of the goods by the Freight Forwarders and has been incorporated in the revised guidelines, which have been circulated to all the Freight Forwarders *vide* Railway Board's letter No. 70/TG/SD/5-7 dt. 14-11-74 (A copy of the revised penal provisions is enclosed as Annexure).
- (ii) Whenever a new Freight Forwarder is appointed, these revised guidelines are given to him.
- (iii) Periodical surprise checks at different levels are done to detect misdeclaration, if any.

2.31. The matter has been examined in consultation with the Western Railway and it is submitted that the forwarding note handed by the Freight Forwarder bore the endorsement "non-dangerous, non-explosive". A lumpsum rate is quoted for Freight Forwarders and therefore, the names of commodities given in the manifest are not checked for the rate classification. Moreover, the Freight Forwarder had not given a clear and legible description of the commodities in the manifest. As the Freight Forwarder had given clear declaration that it was non-dangerous, non-explosive consignment, the staff on duty accepted the consignment for booking under freight forwarder scheme in good faith. Therefore it is submitted that the lapse, if any, be considered a pardonable omission on the part of unsuspecting staff.

The defaulting Freight Forwarder (M/S Economic Transport Organisation) has however since been removed from the list of approved Freight Forwarders operating from Carnac Bridge.

This has been seen by Audit who have observed as under:—

"The factual position as brought out by General Manager, Western Railway in his letter dated 21-3-1978 to the effect that in the manifest the freight forwarder had also not given the description of the commodity clearly and legi-

bly, is under verification by Chief Auditor, Western Railway. Further communication will follow in due course."

[Ministry of Railways (Rly. Board's) O.M. No. 77-BC-PAC|VI|11
(31-32) dt. 19-5-78|29 Vaisakha (1900)]

ANNEXURE

Copy of Railway Board's letter No. 70|TG|SD|5|7 dt. 14-11-77 addressed to the General Managers, All Indian Railways.

SUBJECT.—*Freight forwarder schemes for goods traffic in conventional wagons and containers—loading of dangerous, explosive, contraband or offensive goods.*

Please refer to Board's letter of even number dt. 11-6-71 and 21-12-71 on the above mentioned subject.

2. In supersession of the instructions contained in the two letters mentioned above, it has now been decided that if any contraband or offensive goods or any commodity classified as dangerous or explosive in the IRCA Red Tariff are found to have been loaded under the freight forwarder scheme in conventional wagons and also in containers in contravention of the rules prohibiting loading of such goods under the scheme, freight forwarders will be:—

- (i) required to pay for such goods at double the highest class of rate for goods traffic (i.e. class 150) in addition to the lumpsum rate per wagon container in force at that time;
 - (ii) liable to pay a fine which may extend upto five hundred rupees under Section 59 & 107 of the Indian Railways Act IX of 1890; and
 - (iii) responsible for any loss, damage or injury caused to railway, goods or property in custody of the railway or any other person, goods or property by reason of such goods having been brought upon the railway.
3. Necessary instructions may be issued to all concerned.
 4. Receipt of this letter may please be acknowledged.

Recommendation

In the same context the Committee are surprised to note that the Commercial Branch of the Headquarters Office issued instructions to

the Financial Adviser and Chief Accounts Officer on 17 December 1974, but the latter received the same only on 27 February 1975, i.e., after a period of more than two months. The Committee would like this delay also to be investigated thoroughly.

[Sl. No. 35, Para 2.59 of 11th Report of PAC (1977-78)]

Action Taken

The instructions issued by the Commercial Branch of the Northern Railway Headquarters Office were actually received in the Accounts Branch of that Railway on 20-12-1974. Since there was no mention with regard to the chargeable distance in these instructions, a back reference was made by the Accounts Branch on 10-1-75 to the Commercial Branch for advising the chargeable distance. The chargeable distance was notified on 11-6-75 vide CCS's Circular No. 1458-R/DATADAL dt. 11-6-75 and repeated on 1-7-75 vide Rate Advice No. 13 of 1975.

This has been seen by Audit who have stated that the factual position is under verification by Chief Auditor, Northern Railway and further communication will follow in due course.

[Ministry of Railways (Rly. Board's) O.M. No. 77-BC-PAC VI/11
(31-32) dt. 19-5-78/29 Vaisakha (1900)]

Recommendation

2.60. The Committee appreciate that in order to avoid such delays the Ministry of Railways are considering a proposal to centralise the cyclostyling of instructions having financial implication at the Headquarters Office and to send the required number of copies of the notifications etc. to Divisions by couriers. In this context, the Committee would suggest that advance copies of notifications having financial implications should be despatched under registered covers to the stations concerned directly from the Headquarters Office simultaneously while sending instructions to the Divisions. The stations in their turn, on receipt of such instructions would advise within a specified period to the Divisions and the Headquarters Office about their having received such orders. This would reduce the

time in transmitting such instructions from Headquarters Office to the stations.

[Sl. No. 36, Para 2.60 of 11th Report of PAC (1977-78)]

Action Taken

The recommendation of the PAC has been considered and it is found that it will not be feasible to accept the recommendation for the following reasons:—

- (i) Despatching advance copies of notifications by registered post would involve considerable cost and delay and also uncertainty .
- (ii) This system implies an around increase of workers which inturn implies additional staff etc.
- (iii) Despatch of notifications through couriers ensures that the circulars reach the Divisions in time and the confirmation of this fact is also made certain.
- (iv) The system will involve cyclostyling of a large number of additional copies which in turn will be time consuming.
- (v) This procedure is not practicable because it will be difficult for the Headquarters Office to keep an effective watch on the despatch of advance copies of the notifications to a large number of stations on the entire Railway system and to keep account of receipt of their acknowledgement from each station.

It will be pertinent to point out in this connection that various steps have been taken to ensure that notifications involving charges in various categories as mentioned above reach the stations in time and the machinery in the Divisions have also been geared up to make sure that the notifications are available with the stations. The following steps have been taken in this direction:—

- (i) On very urgent matters telegrams are issued to the stations intimation the changes that have been brought into force.
- (ii) Advance copies of changes in classification, minimum weight condition etc. are also sent to the Divisions from the Headquarters so that there is no time lag for implementing the revised orders.

- (iii) Through Rate Circulars, Local Rate Advices are despatched in time to the stations so that there is no lapse on the part of the stations in this matter.
- (iv) Summary of other Railway circulars of changes are despatched to the Divisions and the same are repeated from the Divisional level to the stations.
- (v) The Commercial Officers of the Divisions and of the Headquarters Offices, the Commercial Inspectors and the Traffic Inspectors of Accounts have been instructed to make intensive checks of the stations so that missing rate circulars and other advices are noted and arrangements made to get copies of the same expeditiously.

The procedure which is in vogue now in the zonal railways as per Board's instructions, namely, cyclostyling of all important instructions at the Headquarters level and sending them through special couriers to the Divisions and from the Divisional Headquarters to the stations again through special couriers, has been working satisfactorily. Therefore, taking into consideration the fact that various steps have been taken as mentioned above to ensure that the notifications are made available at the stations without any time lag and also that existing procedure is working satisfactorily, it is felt that there does not appear to be any need for a change in the existing procedure.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 77-BC-PAC/
VI.11 (33—41) dated 19-5-1978 29 Vaisakha, 1900]

Recommendation

The Committee find that notification regarding restrictions on routing of dearer route traffic from Northern Railway Board gauge stations to stations reached via Bhatinda or Hissar were in force since 1957 and were incorporated in the Northern Railway Goods Tariff Part-I, 1957 edition and also in the 1967 edition of the Northern Railway Goods Tariff Part-I. However these instructions were not complied with, resulting in undercharges to the extent of Rs. 1,70,414 for the period January 1972 to March 1975. It is learnt that undercharges prior to January 1972 could not be assessed due to destruction of record pertaining to that period. The Committee are greatly concerned at the loss of revenue which cannot be precisely quantified in the absence of records. The Com-

mittee would like the Ministry of Railways to investigate the matter in depth for taking suitable remedial action.

[Sl. No. 39, Para 2.63 of 11th Report of PAC (1977-78).]

Action Taken

As per the then extent rules, the station records were to be preserved for a period of 3 years only. As non-compliance of instructions came to light in 1975, immediate action was taken but at that time the records prior to 1972 were not available on account of the above mentioned rules. In order to ensure that cases of this nature do not recur in future, fresh instructions have been issued by the Railway to all concerned to preserve the records for 5 years.

This has been seen by Audit who have stated that the factual position is under verification by Chief Auditor, Northern Railway and further communication will follow in due course.

[Ministry of Railways (Railway Board) O.M. No. 77-BC-PAC|VI|11 (33—41) dated 19-5-1978 29 Vaisakha, 1900[

CHAPTER IV

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

Recommendation

Para:

1.146. The Committee have been informed that the performance of the Yards at Chitpur Naihati and Andal were analysed in the context of the existing traffic pattern, marshalling commitment and other constraints peculiar to each yard. The Committee have not been informed about the level at which such reviews were undertaken. The Committee would therefore urge that a comprehensive review should be undertaken by the Efficiency Bureau of the Railway Board so as to assess the performance of the Chitpur, Naihati and Andal in regard to quicker turn-round of wagons and detentions keeping in view the traffic pattern, marshalling commitments etc.

Para:

1.164. The elaborate analysis of the functioning of the three yards of the Eastern Railway has not only highlighted the problems of operation but has also put in perspective the role of the supervisory staff and the nature of control exercised by them for ensuring efficient performance of the yards. All the three yards under reference are headed by fairly senior and high rank officers. However, the control exercised by them on the day-to-day operations in the yards appears to be lax. Some of the apparently simpler problems, such as non-supply of cranes, non-availability of locomotives, non-availability or less availability of water from storage tanks, non-availability of rest vans for the crew, frequent power failures and such other minor things which hamper the movement of wagons, have not been attended to in time. The Committee have no doubt that if the supervisory officers on the spot are vigilant and are assisted in time and if there is proper coordination, many of the problems of the yards could be solved satisfactorily and in time. It will perhaps be worthwhile to make a systematic appraisal of the functioning of the important marshalling

ling yards at the level of the Efficiency Bureau of Railway Board with a view to streamlining their work.

[Sl. Nos. 9 & 27, Paras 1.146 and 1.164 of 11th Report of PAC (1977-78).]

Action Taken

The Ministry of Railways, in pursuance of the recommendations made by the Public Accounts Committee in Paras 1.146 and 1.164, have since decided that Efficiency Bureau of the Railway Board should undertake a comprehensive study of the three marshalling yards, i.e., Chitpur, Naihati and Andal on the lines suggested by the Committee.

This has been seen by Audit who have observed as under:—

“The reply is of ad-interim nature. The Committee may be informed in due course of the final results of the comprehensive study of the three marshalling yards in Chitpur, Naihati and Andal by the Efficiency Bureau of the Railway Board”.

[Ministry of Railways (Railway Board)'s O.M. No. 77-BC-PAC|VI|11 (9 & 27) dated 19-5-78/29 Vaisakha, 1900.]

Recommendation

Para:

2.17. The Committee observe that the term 'scrap', as defined in Special condition 18 of Goods Tariff applicable to Iron or Steel Scrap, applies only to such scraps or pieces of metals as have metal value only as distinct from shape value and are useful for remelting, reforging or re-rolling only. This definition obviously does not lay down that the commodity offered as scrap should have 100 per cent metal value for conforming to the description of iron or steel scrap as given in the Special Condition 18 of the Goods Tariff. Accordingly, therefore, the so-called slag mixed with iron/steel scrap, which was found to have a metallic content of more than 53 per cent and which was being sent to foundries for reclaiming the metal could only be considered as scrap and not slag, which is supposed to be a waste refuse of steel plant containing practically very negligible percentage of iron (ferrous content less than 2 per cent) and used only for road making. In the absence of any clear cut and specific provision in the Goods Tariff to the effect that scrap should have 100 per cent metallic content and in view of the

fact that the same commodity despatched from two other stations viz. Rourkela and Tatanagar was being treated as scrap and charged as such, the Committee fail to understand how the Railway Administration maintain that the commodity booked from Durg Station approximate more to slag than to scrap.

Audit Comments

Para:

2.18. The Committee feel that till 14 February, 1972 the Railway Administration was correctly charging the freight on the consignments containing slag mixed with iron/steel scrap at the class rate applicable to iron and steel scrap. However, from 15 February, 1972, following the introduction of a lower classification for iron or steel slag, the firms took advantage of the lower rates by just declaring the commodity, i.e., slag mixed with iron or steel scrap as iron and steel slag in the forwarding notes. Surprisingly the Railway Administration started charging the freight at the lower classification knowing fully well that the commodity being booked by the firms was the same and contained metallic iron to the extent of 53.20 per cent and ferric oxide to the extent of 15.44 per cent and as such could not be properly classified as iron or steel slag for the purpose of charging freight. Even the firms were stated to be aware of the high metallic content of the slag and to that extent they were guilty of misdeclaration. The Committee note that it was only on 4 June, 1973 that at the instance of the Travelling Inspector of Accounts, Durg Station also started charging freight for the commodity at the rates applicable to iron and steel scrap. There has thus been a serious lapse on the part of the Durg Station authorities in agreeing to charge the freight at a lower rate just on the basis of a declaration made by the firms. This needs to be investigated thoroughly to fix responsibility as also to find out if there was a collusion between the firms and the booking staff at Durg Station. The Committee would like to be apprised of the result of investigation within three months of presentation of this report to the House.

Recommendation

Para:

2.19. The Committee are somewhat perplexed at the stance now being taken by the Railway Administration by stating that the booking and charging of the commodity had been correctly done in conformity with the extent provisions of the Goods Tariff and that the question of raising of undercharges did not arise. This is in contradiction of the position taken by the Railway Administration earlier that the commodity booked at Durg Station could bear freight rates higher than the rates applicable to iron and steel slag NOC but lower than the rates for iron or steel scrap. The Committee find that following a reference from the Railway

Administration, the Railway Board had referred the proposal for raising the classification of iron and steel slag to the level of the rate applicable to iron and steel scrap for examination by the Commercial Committee had come to the conclusion. The Commercial Committee of Indian Railways that there was no justification to raise the classification of iron and steel slag and this recommendation had been accepted by the Railway Board. The Committee are of the view that even if the two commodities, i.e., iron and steel slag NOC and iron and steel scrap could not be equated for the purpose of charging of freight, there was no justification for charging a lower rate for a commodity which though described as iron or steel slag did not satisfy the specification thereof and could more appropriately be termed as iron and steel scrap. Allowing benefit of lower rate provides scope for leakage of revenue. In view of this the Committee need hardly emphasize that the total undercharges for the period 15 February 1972 to 3 June 1973 may be assessed and recovered from the parties concerned without loss of further time. The Committee also desire that the position may be reviewed afresh with a view to establish that the commodity known as iron or steel slag is being correctly classified for the purpose of charging of freight rates at all the stations. The Committee, would like to be apprised of the action taken in this behalf.

[Sl. Nos. 28—30, Paras 2.17—2.19 of 11th Report of PAC (1977-78)]

Action taken

Para 2.17. Special Condition 18 in the Goods Tariff lays down that the term 'scrap' applies only to such scraps or pieces of metal as have metal value only as distinct from shape value and are useful for re-melting, re-forging or re-rolling only. The definition neither lays down that scrap should have 100 per cent metal value, nor it says that slag having more than 2 per cent of ferrous content should be charged as scrap. It is not possible to lay down any fixed percentage in this regard. The commodity offered at Tata-nagar and Rourkela even after the introduction of a separate classification for iron steel slag NOC from 15-2-72 onwards was always declared by the parties as Iron and Steel scrap and charged accordingly. On the other hand the commodity offered at Durg was declared as iron and steel scrap up to 15-2-1972 and as iron and steel slag NOC w.e.f. 15-2-1972 and was charged accordingly. Therefore, the two cases are not comparable. Further it is well high impossible for the non-technical railway staff who accept these consignments for booking to find out visually as to whether commodity is

iron and steel scrap or iron and steel slag NOC and they have no other alternative but accept the declaration given by the consignor, especially when the material is coming from a Public Sector Steel Plant. However, the issue of classification of this commodity has been remitted to the Rail Tariff Enquiry Committee, 1977 who are going into the entire question of railway freight structure.

Para 2.18. It is true that till 14-2-1972 freight was charged on the material offered at Durg as iron and steel scrap on the declaration of the consignors. However, even after the new classification of iron and steel slag was introduced w.e.f. 15-2-1972, the commodity was charged as per declaration of the consignors. The sale order of HSL/Bhilai communicated that the material was open hearth slag mixed with iron and steel slag lying in the area. Although Chemical analysis of the material indicated ferrus content, in the absence of clear distinction and guidelines for charging these items, it was not possible for the non-technical railway staff at Durg to clearly distinguish and guidelines for charging these items, it was not possible for the non-technical railway staff at Durg to clearly distinguish and identify the material offered and, therefore, they went by the declaration of the consignor, especially when the consignments were coming from a Public Sector Steel Plant. Therefore, there was no deliberate act on the part of the station staff at Durg to favour the party by charging a lower rate. It is not correct to say that the railway administration started charging the freight at the lower classification knowing fully well that the commodity booked was scrap because the non-technical railway booking staff had no other alternative but to go by the declaration given by the consignor as they cannot distinguish between slag and scrap usually.

Para 2.19. The question as to whether the commodity offered at Bhilai should be charged as iron and steel slag NOC or iron and steel scrap has been remitted to the Rail Tariff Enquiry Committee 1977 and a decision will be taken after their recommendations are received. Since there is no criteria laid down as to what is iron and steel slag and what is iron and steel scrap, the question of recovering undercharges does not arise.

Audit Comments

This has been seen by Audit who have made the following observations:—

Para 2.17. The commodity in question contained iron content of about 53 per cent as against 2 per cent generally

found in iron or steel slag. It is, therefore, more analogous to iron or steel scrap than iron or steel slag and should be charged accordingly. Ministry of Railways (Railway Board) could have on this basis decided this individual case of clarification of a commodity by themselves, instead of remitting it to the Rail Tariff Committee, 1977 who are studying the Railway fare and freight structure in a comprehensive manner.

Para 2.18. Seen. No comments.

Para 2.19. The two firms who are booking the commodity in question from Durg station, have been paying freight charges at the rate applicable to iron and steel scrap, from 4-6-73. In that case there is no reason for these parties not being called upon to pay undercharges in freight for the period 15-2-72 to 3-6-73. The undercharges may be assessed and recovered as desired by the P.A.C. The Committee may also be apprised of the results of review to be conducted with a view to establish that the commodity known as iron or steel slag is being correctly classified for the purpose of charging of freight rates at all the Stations.

Railway Board's further remarks

The Railway Board have the following further remarks to offer on the audit comments relating to paras 2.17 and 2.19:

Para 2.17. In this connection it is pointed out that as stated in para 2.16 of the report of the Public Accounts Committee the entire question had already been placed before the Commercial Committee of the Indian Railway Conference Association. As, in the meantime, a Rail Tariff Enquiry Committee has been constituted, the Ministry of Railways have decided to refer the matter to that Committee who have also been requested to treat the matter as urgent.

Para 2.19. In this connection reference may be made to the reply to the recommendations made by the Public Accounts Committee in para 2.17 of their report. As

brought out therein the commodity was charged as per the declaration furnished with effect from 15-2-1972. Further as already stated in the absence of any criteria laid down for distinguishing between Iron and Steel Scrap and Iron and Steel Slag the question of recovering undercharges does not arise.

[Ministry of Railways (Railway Board) O.M. No. 77-BC-PAC|
VI|11 (28—30) dated 19-5-1978|29 Vaisakha, 1900].

CHAPTER V

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

Recommendation

The Committee find that in August, 1967, the targets for detention of 'through loaded wagons' and 'all wagons' in Chitpur Yard were revised from 16 and 17 hours respectively to 19 and 16 hours respectively after taking into consideration the working conditions of the yard. These targets were further revised to 23 hours and 18 hours respectively in December, 1974. During evidence before the Committee, the Member Traffic, Railway Board pleaded that the targets fixed in December, 1974 were not entirely realistic as certain additional commitments given to the yard had not been fully taken into account while fixing these targets. The Committee have been subsequently informed that after an analysis of the performance of the yards at Chitpur, Naihati and Andal in the context of existing traffic patterns, marshalling commitments and other constraints peculiar to each yard, these targets have been refixed *w.e.f.* January 1977. The targets now fixed for detention of 'through loaded wagons' and 'all wagons' in Chitpur Yard are respectively 28 and 21 hours. The Committee are constrained to observe that the targets for detention have been revised and liberalised from time to time on the plea of making them realistic but the actual performance nowhere approximates the targets set. In this connection it needs to be pointed out that while in January 1977, the revised targets for detention of 'through loaded wagons' and 'all wagons' were 28 and 21 hours respectively, the actual performance in the year immediately preceding namely 1975-76, was of the order of 36.00 hrs.' detention on an average for 'through loaded wagons' and 24.05 hours detention on an average for 'all wagons'.

[S. No. 5, Para 1.142 of 11th Report of P.A.C. (1977-78)].

As regards the fixation of targets and the unsatisfactory performance, the Railway Convention Committee, 1971 had made the following observations in para 6.104 of their Fifth Report (April 1973):—

"From the date for the last three years furnished to them, the Committee observe that there are heavy detentions:

to wagons in almost all the important marshalling yards and that the targets prescribed have practically no relevance to the realities of the situation. The Committee understand that the question of fixing these targets afresh both in respect of marshalling yards and transshipment points is under consideration so as to reflect the position correctly in terms of wagons units."

While intimating the action taken on the above recommendation, the Railway Board had, on the 16th March 1974 informed the Railway Convention Committee, 1973 that the Committee's recommendations had been noted and communicated to the Zonal Railways. Obviously the Railway Convention Committee's recommendation had no effect on the Eastern Railway Administration as it is seen that the targets fixed in December, 1974 did not take into account the changes in pattern of traffic, marshalling etc., in Chitpur Yard. The Committee would like to be apprised of the precise action taken by each Zonal Railway in pursuance of the recommendations of the Railway Convention Committee, 1971, referred to above.

[S. No. 6, Para 1.143 of 11th Report of PAC (1977-78)]

1.144. The Committee note that the detentions of wagons in the Chitpur Yard during the years 1970-71 to 1974-75 for periods far above the liberalised targets have been attributed to factors such as deterioration in law and order situation, political agitations etc. It is, however seen that even during the year 1975-76 which was free from the above mentioned disturbing factors the average detentions to 'through loaded wagons' and 'all wagons' were far above the liberalised targets laid down. The Committee are not satisfied with the manner of fixation of targets for detention of wagons from time to time. They would like to know whether the detention targets as revised from January 1977 have been adhered to by the three marshalling yards of Chitpur, Naihati and Andal.

[S. No. 7, Para 1.144 of 11th Report of PAC (1977-78)]

Action Taken

In terms of the recommendation of Railway Convention Committee 1971 the Zonal Railways were asked to review the actual detentions in major yards *vis-a-vis* the targets fixed and send their recommendations for revision of targets. The recommendations received from the Railways were examined and revised targets decided upon for most of railways in April 1975. Consequent to the changes in the pattern of operation these targets are revised periodically. For example, Western Railway had asked for further revision of targets in June 1977 which were examined and revised in

February, 1978. All the Zonal Railways, have again been addressed in March 1978 for further review.

With regard to Chitpur, Naihati and Andal the revised targets fixed during January 1977, were as under:—

Targets detention (In hrs.)

Yard	Through loaded wagons	All wagons
Chitpur:	23.0	21.0
Naihati	25.0	24.0
Andal	23.0	19.0

While fixing these targets the best performance achieved during the period July 1975 to September 1976 was also taken into account. These are as under:—

Yard	Best Performance during July '75 to Sep '76	
	Through loaded wagons	All wagons
Chitpur	25.0	22.3
Naihati	25.7	25.3
Andal	28.3	20.0

The actual detentions during the period April 1977 to December 1977 in these 3 yards were, however, as under:—

Yard	Through loaded wagons	All wagons
Chitpur:	29.3	21.7
Naihati	31.3	25.0
Andal	37.8	23.8

It will be observed that the targets have been generally achieved at Chitpur and partially at Naihati Yards. The reasons for increase in detentions at Andal are being studied again, to decide on the need for any further revision.

This has been seen by Audit who have observed as under:—

“The results of review by the Zonal Railways may be brought to the notice of the Committee. The factual position with regard to the revision of targets on Western Railway in February 1973 and those of Chitpur, Naihati and Andal in January 1977 including the figures of actual detentions during the period April 1977 to December 1977 are under verification by the Chief Auditors concerned. A further communication will follow in due course.”

[Ministry of Railways (Railway Board) O.M. No. 77-BC-PAC/VI/11 (5—7, 11—17 and 23—25) dated 16-5-78/26 Vaisakha, 1900.]

Recommendation

1.148. The committee find that the analysis of the reasons for detention of wagons in the Chitpur Yard made by Audit is quite revealing. During the selected month of November 1974 the Audit had found that from Chitpur Yard 14 local trains had been despatched underloaded, although more wagons were available in the yard for the respective destinations for forming optimum loads. Out of these 14 trains, 7 trains moved with only 1 to 5 wagons each and the remaining seven with 6 to 21 wagons each. Similarly in Naihati Yard, 22 underloaded trains were despatched during the month of January, 1975 and out of these 13 trains were run with less than 10 wagons each. It is further seen that though the loads available in the Chitpur Yard could have been moved by only 15 trains, 19 additional trains were run resulting in avoidable running of 19 locomotives. This gross under-utilisation of the haulage capacity causes concern to the Committee.

1.149. That the position has not improved is evident from the fact that a test check carried out by the Railway Administration in March, 1976 further revealed that out of 465 pilots/shuttles run in that month as many as 403 pilots were run underloaded, of which 124 pilots were run with less than 15 wagons on an average. It has been argued that running of underloaded work trains and industrial pilots was incidental to operations and servicing in an industrial complex keeping in view the need for punctual and regular running of industrial pilots so that the industries receive their inward goods and despatch their outward products regularly. The Committee are conscious of the need for running of industrial pilots and work trains in accordance with a set schedule and it may be that the running of underloaded trains was an operational necessity. However, the wastage of haulage capacity of the locomotives and

detention of wagons involved in the running of such underloaded trains is of such a magnitude, that the Committee are constrained to suggest that the pilot schedules may once again be subjected to a thorough scrutiny at the level of Zonal Headquarters, with a view to rationalise the operations of these pilots and work trains. The Committee are also of the view that in case the running of underloaded trains was found inescapable their operating cost may be analysed and the possibility of passing the additional expenditure on to the industry concerned may be examined forthwith. The Committee would like to be apprised of the precise action taken in this behalf.

[S. No. 11 & 12, paras 1.148 & 1.149 of 11th Report of PAC (1977-78)]

Action Taken

The Eastern Railway is conducting a fresh study of the pilot schedule to examine the scope for further rationalisation..

The possibility of passing the additional expenditure on to the industry concerned has been examined. Railways make efforts to put their locomotives to optimum use and devise schedules/methods which enable them to reduce the number of underloaded trains/pilots. Freight rating cannot be linked with the loads of trains on different sections nor can the industry be asked to pay more for operational constraints of varying nature.

This has been seen by Audit who have observed as under:—

“The reply is of ad-interim nature. The Committee may be informed of the results of the study of the pilot schedule being conducted by the Eastern Railway in due course.”

[Ministry of Railways (Railway Board)'s O.M. No. 77-BC-PAC VI.11 (11-12) dt. 16-5-78/26 Vaisakha 1900].

Recommendation

According to the Chairman, Railway Board and the Member Traffic, Railway Board, the increased number of suburban trains are coming in the way of proper functioning of the marshalling yards. In a developing country like ours, the passenger trains—both suburban and non-suburban, have to grow and multiply in keeping with the country's requirements. The growth of passenger traffic cannot therefore be viewed as a hindrance to the goods traffic. On the contrary, there should be a just position of passenger and goods traffic in a manner that the job can be done with optimum efficiency.

The Committee are, in fact, given to understand that the industrial pilots carrying goods for industrial complexes were being run during the periods when there were no passenger trains on the line. This only indicates that by a proper planning the movement of both the goods and the passenger trains can well be coordinated.

[S. No. 13, Para 1.150 of 11th Report of PAC (1977-78)].

Action Taken

A study of the changes made in the Schedule of industrial pilots and work trains on the Eastern Railway suburban section is being made in order to establish the fact that proper planning is actually being done to coordinate the requirements of increasing suburban traffic as also the need for regular running of pilots to the industrial customers. A report will be sent as soon as the study is completed.

This has been seen by Audit who have observed as under:—

“The reply is of ad-interim nature. The PAC may be advised of the results of study in due course.”

[Ministry of Railways (Rly. Board)'s O.M No. 77-BC-PAC, 11/11 (13) dt. 16-5-78/26 Vaisakha 1900].

Recommendation

1.158 Another important problem to which Committee's attention has been drawn is the large scale mis-marshalling of wagons that occurred in Chitpur yard during the year 1974-75. Upto February 1975, i.e. in about 11 months as many as 9,886 wagons received in Chitpur yard were found to mis-marshalled. The Railway Board have tried to explain that the abnormal increase in the number of mis-marshalled wagons received in Chitpur during 1975 is partly attributable to the improper maintenance of the records at the Chitpur and Naihati yards. Without going into the merits of this explanation, the Committee would like to be informed of the action taken against the staff for improper maintenance of the yard records.

1.159. The problem of mis-marshalling has another serious implication, namely, that the train documents are not properly compiled by the staff. This can be either intentional or due to negligence of the concerned staff. The Member (Traffic) has gone on record to say that the intentional mis-marshalling by unscrupulous staff was not ruled out even though there may be only a few cases of this kind. In view of this, it is only appropriate that the Railways should look afresh at the problem of mis-marshalling with a view to tie up the loopholes and taking remedial steps.

[S. Nos. 21 & 22, Paras 1.158 & 1.159 of 11th Report of PAC (1977-78)]

Action taken

In the light of the above observations, Eastern Railway has been instructed to conduct a more detailed study to bring out deliberate cases of mis-marshallings by staff and also to suggest remedial measures. The question of action to be taken against the staff at fault also will be decided after the study is completed.

This has been seen by Audit who have observed as under:—

“The reply is of ad-interim nature. The PAC may be informed of the results of study and action taken against the staff at fault in due course.”

[Ministry of Railways (Rly. Board) O.M. No. 77-BC-PAC|VI|11
(21-22) dt. 16-5-78/26 Vaisakha 1900].

Recommendation

The Committee are given to understand that a sum of Rs. 1,36,459 as undercharges in respect of local traffic was yet to be realised and in respect of foreign traffic the review is under progress. The Committee would like to be apprised of the progress made in this regard.

[Sl. No. 37, Para 2.61 of 11th Report of PAC (1977-78)].

Action taken

The latest position with regard to the progress made in the realisation of undercharges is as follows:—

Local Traffic.—Out of Rs. 1,36,459 undercharges in respect of local traffic, the outstanding at present is Rs. 86,643.

Foreign Traffic (Outward).—The position of undercharges advised to Foreign Railways is as under:—

- (i) Undercharges advised to Foreign Rlys. Rs. 100245.00.
- (ii) Undercharges so far raised by Foreign Rlys. Rs. 59564.00.
- (iii) Undercharges found not due by Foreign Rlys. Rs. 22,466.00.
- (iv) Undercharges realised by Foreign Rlys. Rs. 5,622.00.
- (v) Confirmation of Foreign Rlys. still awaited with regard to raising of undercharges: Rs. 12,593.00.
- (vi) Undercharges amounting to Rs. 30,625 Out of Rs. 59,564 have since been realised.

Foreign Traffic (Inward)

Debits raised against N. Rly. stations as a result of review received from S. C. Railway. Rs. 14,595.00.

Review from N. E. Rly. has also been received and E/Sheets are under issue.

Review from Central, Southern, Eastern, S. E. Rly. and N. F. Rly. are still awaited and the matter is being pursued.

This has been seen by Audit who have stated that facts are under verification by Chief Auditor, Northern Railway and further communication will follow.

[Ministry of Railways (Rly. Board) O.M. No. 77-BC-PAC|VI|11 (33—41) dated 19-5-1978/29 Vaisakha, 1900].

Recommendation

The Committee further note that assessment of undercharges due on account of non-compliance of routing and rating instructions on North-Eastern Railway has since been completed in respect of stations in Varanasi Division and the amount assessed is Rs. 53,865 for the years 1973-74 and 1974-75. The Committee would like to be apprised of the steps taken to recover the amount due.

[Sl. No. 38, Para 2.62 of 11th Report of PAC (1977-78)].

Action Taken

Out of a total amount of undercharges of Rs. 53,865 an amount of Rs. 1974 only relates to N.E. Rly. for which error sheets have also been issued and efforts are being made to recover the amount. As regards the balance amount of undercharges which pertains to other Railways statements have already been furnished to the concerned Railways namely Western and Northern Railways. This matter is being pursued by N.E. Rly. with the concerned zonal railways for final realisation.

This has been seen by Audit who have stated that the facts are under verification by Chief Auditor, North Eastern Railway and further remarks will follow in due course.

[Ministry of Railways (Rly. Board) O.M. No. 77-BC-PAC|VI|11 (33—41) dated 19-5-1978/29 Vaisakha, 1900].

Recommendation

The Committee are unhappy to note that out of Rs. 1,70,414 outstanding as arrears undercharges on Bhatinda-Kotkapura section a

sum of Rs. 771 only could be recovered so far. The Committee would like the Ministry of Railways to take effective steps for recovering Government dues without further loss of time and apprise the Committee of the progress made in this direction.

[Sl. No. 40, Para 2.64 of 11th Report of PAC (1977-78)].

Action Taken

Out of a total amount of undercharges of Rs. 1,70,414 outstanding on the Bhatinda-Kotkapura Section Rs. 42355 have so far been realised. Sustained action is being taken to recover the balance amount of Rs. 128059.

This has been seen by Audit, who have stated that the factual position is under verification by Chief Auditor, Northern Railway and further communication will follow in due course.

[Ministry of Railways (Rly. Board) O.M. No. 77-BC-PAC/VI/11 (33—41) dated 19-5-1978/29 Vaisakha, 1900].

Recommendation

The Committee observed that although four stations on Bhatinda-Kotkapura section were visited by the CMIs and TIAs on a number of occasions, the irregularity escaped their notice. The Committee would like the Ministry of Railways to investigate how the undercharges escaped their notice with a view to taking remedial measures for the future. The Committee would also like to know why the irregularity could not be detected in the internal check since 1972.

[Sl. No. 41, Para 2.65 of 11 Report of PAC (1977-78)].

Action Taken

As full details have been called for from the concerned Railway, final reply will be given as soon as the details are received from the Railway.

This has been seen by Audit who have observed as under:—

“The reply given by Ministry of Railways (Railway Board) is of *ad-interim* nature. PAC may be informed of the final action taken in due course.”

[Ministry of Railways (Rly. Board) O.M. No. 77-BC-PAC/VI/11 (33—41) dated 19-5-1978/29 Vaisakha, 1900].

2.101. The Committee are concerned to note the Railway dues to the extent of Rs. 4.29 crores are outstanding against various other power houses as on 30 June, 1976 by way of cost of coal, freight and demurrage charges. The Committee would like the Ministry of Railways to make concerted efforts for the recovery of these dues from the power houses. In this connection they would also like the Ministry of Energy to issue general instructions to the State Governments concerned for expeditious settlement of railway dues against the power houses. The Committee would like to be apprised of the position in this regard in due course.

2.102. According to agreements with the oil companies interest @10 per cent per annum is leviable on freights which have fallen due for recovery. However, it is a matter of regret that the Railway Administrations are not invoking such provisions of these agreements on the plea that the Railways would have to pay interest on compensation claims to the oil companies. The Committee are not impressed by this plea and would like the Ministry of Railways to direct the Administrations concerned to involve the provisions of the agreements for the purpose of charging interest on outstanding freight charges. After all, the Railways are a commercial concern and they must function on business terms.

[Sl. Nos. 46 & 47, Paras 2.101, 2.102 of 11th Report of PAC (1977-78)].

Action taken

1.1. The latest position of outstanding dues on Northern Railway is that as on 31-3-1978, Delhi Electric Supply Undertaking and U.P. State Electricity Board owe to Northern Railway approximately Rs. 12.12 crores and Rs. 0.83 crores respectively.

1.2. As for steps taken for the realisation of the dues, the Ministry of Railways submit that the Northern Railway have held frequent meetings with the representatives of Delhi Electric Supply Undertaking and U.P. State Electricity Board. So far as dues against Delhi Electric Supply Undertaking are concerned, the matter has been moved at the highest level on Northern Railway with a request to Lt. Governor, Delhi to assist in getting railway dues liquidated. The Chairman, U.P. State Electricity Board has also been addressed at the highest level for arranging early payment of the outstanding dues.

2. The suggestion made by the Committee in Para 2.102 to invoke provisions of the agreement for the purpose of charging interest on

outstanding freight charges, has been noted and the matter is under their active consideration. Final decision taken in this regard will be advised to the Committee in due course.

This has been seen by Audit who have observed as under:—

“The reply furnished by the Ministry of Railways (Railways Board) is of *ad-interim* nature. The position of outstanding as on 31-3-78 is under verification by the Chief Auditor, Northern Railway. The final outcome of the various steps taken by the Ministry of Railways to arrange for an expeditious clearance of the outstanding dues may be brought to the notice of the Committee in due course. The Public Accounts Committee may also be apprised of the final decision taken to invoke the provisions of the agreement for the purpose of charging interest on outstanding freight charges against oil companies.”

[Ministry of Railways (Rly. Board) O.M. No. 77-BC-PAC/VI/11
(42—47) dt. 19-5-78/29 Vaisakha 1900].

NEW DELHI;
December 19, 1978.
Agrahayana 28, 1900 (S)

P. V. NARASIMHA RAO,
Chairman,
Public Accounts Committee.

APPENDIX

Conclusions and Recommendations

Sl. No.	Page No.	Ministry Concerned	Recommendations
1	2	3	4
1.	1.3	Railways	The Committee expect that final replies to those recommendations/observations in respect of which only interim replies have so far been furnished will be made available to them expeditiously after getting them vetted by Audit.
2.	1.4	Railways	The Committee are, however, constrained to point out that the recommendations or observations made by the Committee are not being considered with due sense of urgency. Out of the 52 recommendations or observations included in the 11th Report of the Committee (Sixth Lok Sabha) in respect of as many as 13 (25 per cent) recommendations or observations only <i>ad interim</i> replies have been furnished. The Committee feel that the time of six months allowed to the Ministries/Departments for furnishing of Action Taken Notes is a fairly long period within which the Ministries should normally be able to finalise their examination of the Committee's recommendations or observations. The Committee expect that the Action

Taken Notes furnished to them even after a lapse of six months and in many cases after several extensions, should be final and conclusive. In this connection the Committee would draw attention to paras 1.3 and 1.4 of their 68th Report (Sixth Lok Sabha) in which they had emphasized the need for furnishing final replies to recommendations within the prescribed period.

3. 1.18 Railways

The Committee find that in pursuance of their recommendations contained in paras 1.146 and 1.164 of the 11th Report (Sixth Lok Sabha), the Ministry of Railways (Railway Board) have since decided that Efficiency Bureau of the Railway Board would undertake a comprehensive study of the three marshalling yards namely Chitpur, Naihati and Andal of the Eastern Railway. This only partially meets the Committee's point. What the Committee had recommended was that as the elaborate analysis of the functioning of the three yards of the Eastern Railway had brought into focus the problems of operation of such big yards, it would be worthwhile to make a systematic appraisal of the functioning of all the marshalling yards of the Railways including the three yards of the Eastern Railway at the level of the Efficiency Bureau of the Railway Board with a view to streamlining their work. The Committee would, therefore, like to emphasise that the Efficiency Bureau may be instructed to undertake comprehensive reviews of all the major marshalling yards in a phased manner. The Committee have no doubt that such reviews

will enable each Zonal Railway to understand the peculiar problems faced by each yard so as to take adequate remedial measures for its efficient functioning.

4.

1.11

Railways

1.11 The Committee are surprised to note that the Railway Administration still persists in maintaining that the action of the Durg Station staff in charging a lower tariff rate for iron and steel slag could not be objected to. The emphasis now being laid on the declaration by the consignors is obviously misplaced. It is well-known that till February 1972 the Railway Administration was charging the freight on the consignments containing slag mixed with iron and steel scrap at the class rate applicable to iron and steel scrap. However, from 15 February 1972, following the introduction of a lower classification for iron and steel slag, the firms took advantage of the lower rates by just declaring the commodity, i.e., slag mixed with iron and steel scrap as iron and steel slag in the forwarding notes. A mere change in the declaration by the firms enabled them to get benefit of lower freight rate although the commodity remained the same, the destination was the same while the same commodity offered at the two neighbouring stations at Tatanagar and Rourkela continued to be charged at the old rates. Further when in June 1973 the Travelling Inspector of Accounts, Durg pointed out the obvious discrepancy, the Durg Station also started charging freight for the commodity at the rates applicable to iron and steel scrap. This only goes to prove that the station staff deliberately erred in favour of the firm without caring to take instructions from the higher authorities in regard to the

correct levy of freight on the iron and steel slag. It is in this context that the Committee had asked for a thorough inquiry with a view to find out whether there was a collusion between the firms and the booking staff at Durg station. The Committee cannot but reiterate their earlier recommendation.

5. 1.12 Railways

The Committee do not appreciate the Ministry's plea that the non-technical railway staff who accept these consignments for booking have to accept the declaration given by the consignor. This would imply that even the prohibited articles such as explosives could be booked if the consignor just declared that they were not explosives. The fact that the iron and steel slag was being received from a public sector undertaking does not absolve the railway authorities from exercising the requisite scrutiny in the booking of consignments. It is to be noted that the consignors and the consignees were private parties.

6. 1.15 Energy

The Committee are perturbed to note that an amount of more than Rs. 9 crores is still due to be paid by the Delhi Electric Supply Undertaking to the Railways on account of the old Liability for the period prior to 1.4.1976. It is all the more surprising to note from the Ministry of Energy's reply that the DESU was facing financial difficulties as a result *inter alia*, of its inability to revise the electricity tariff. The DESU has revised their tariff on 1-4-1976 and again from 1.4.1978 and if even after the sharp increases in the tariff rates

effected from 1-4-1978 the DESU are not able to break even and discharge their old liabilities, the Committee would like to emphasize that Government should have a fresh look at the financial management of this undertaking. There is a limit to which the poor consumers of electricity in the capital city can be made to pay for the inefficiency of an organisation like DESU. The Committee recommend that the Ministry of Energy should direct their immediate attention to this aspect of the matter and initiate necessary remedial steps for improving the financial viability of DESU.
