

**HUNDRED AND TWENTY-SIXTH  
REPORT  
PUBLIC ACCOUNTS COMMITTEE  
(1987-88)**

(EIGHTH LOK SABHA)

**PROCUREMENT AND UTILISATION OF  
TANK WAGONS**

**MINISTRY OF RAILWAYS (RAILWAY BOARD)  
AND  
MINISTRY OF PETROLEUM AND NATURAL GAS**

[Action taken on the 105th Report (Eighth Lok Sabha)]



*Presented in Lok Sabha on 18-4-1988*

*Laid in Rajya Sabha on 25-4-1988*

**LOK SABHA SECRETARIAT  
NEW DELHI**

*April, 1988/Vaisakha, 1910 (Saka)*

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE  
(1987-88)

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Shri Amal Datta

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SECRETARIAT

1. Shri K. H. Chhaya—*Joint Secretary*
2. Shri B. D. Duggal—*Chief Financial Committee Officer*
3. Shri S. M. Mehta—*Senior Financial Committee Officer*

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\*Ceased to be Members of the Committee consequent on their retirement from Rajya Sabha w.e.f. 2 April, 1988.

## INTRODUCTION

1. The Chairman of the Public Accounts Committee, as authorised by the Committee do present on their behalf this Hundred and Twenty-Sixth Report on action taken by Government on the recommendations/observations of the Public Accounts Committee contained in their Hundred and Fifth Report (Eighth Lok Sabha) on Procurement and Utilisation of Tank Wagons.

2. The Committee in their earlier Report had observed that at certain locations at micro level the loading by the Railways had not been according to the slate (target for daily loadings) fixed by the oil industry. It did not meet the demand level. The Committee desired that the Ministry of Railways (Railway Board) should keep the position under constant review and make sustained efforts to minimise shortfalls in loading at micro levels. With this end in view the Committee urged the Ministry to undertake a thorough study with a view to identifying the locations where shortfall in loading habitually takes place and exploring ways and means to ensure adequate supply of suitable wagons as per requirement.

The Ministry of Railways (Railway Board) in their action taken note have not indicated any specific action taken on their recommendation. The Committee have again desired the Railways to undertake a thorough study, as recommended, in consultation with the Oil Industry and take necessary action with due promptitude so that shortfalls in loading could be reduced substantially if not eliminated altogether.

3. The Committee while appreciating the efforts made by the Railways for development of important terminals, have observed that concerted effort is needed for taking proper timely action for augmenting full rake handling facilities at the remaining already identified terminals. The production and consumption of POL have been steadily and gradually growing over the years in various parts of the country. The Committee have again urged the Railways to realise the importance and necessity for full rake handling at all terminals and the need for concerted efforts in this direction. It is imperative that a time bound plan is drawn and implemented in the interest of improving productivity of tank wagon fleet.

4. The Committee considered and adopted the Report at their sitting held on 5 April, 1988. Minutes of the sitting form Part II of the Report.

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

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

NEW DELHI;

*April 6, 1988*

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*Chaitra 18, 1910 (Saka)*

AMAL DATTA

*Chairman,  
Public Accounts Committee*

## CHAPTER I

### REPORT

This Report of the Committee deals with action taken by Government on the Committee's recommendations/observations contained in their Hundred and Fifth Report (Eighth Lok Sabha) on procurement and Utilisation of Tank Wagons.

1.2 The Committee's 105th Report was presented to Lok Sabha on 30 April, 1987. The procurement of the tank wagons in excess of their requirement by the Railways during Sixth Five Year Plan was without justification and that the utilisation of tank wagons was below the optimum level due to lack of adequate infrastructural facilities for handling POL traffic, excessive detention, long turn-round period, inefficient operations as raised in the Audit Para. The Committee considered these matters and made 18 recommendations/observations in that Report. Action Taken Notes have been received from the Government in respect of all the recommendations/observations. These have been broadly categorised as indicated in Appendix.

1.3 The Committee will now deal with the action taken by Government on some of their recommendations/observations.

#### *Identification of locations where shortfalls in loading recur* (Sl. No. 9, Para 1.67)

1.4 The Committee had observed\* that the performance of the Railways in the movement of POL traffic in tank wagons when reviewed in the light of targets fixed by the Planning Commission was satisfactory. However, at certain locations at micro level the loading by the Railways had not been according to the slate (target for daily loadings) fixed by the oil industry. It did not meet the demand level. This was due to wagons in short supply and the paucity of suitable wagons resulting in transport of POL by road. This could have been easily avoided with so much of surplus of tank wagons at their disposal. The Committee desired that the Ministry of Railways (Railway Board) should keep the position under constant review and make sustained efforts to minimise shortfalls in loading at micro levels. With this end in view the Committee urged the Ministry to undertake a thorough study with a view to identifying the locations where shortfall in loading habitually takes place and exploring ways and means to ensure adequate supply of suitable wagons as per requirement. The Railways have merely noted the above recommendations.

1.5 The Committee find that the Ministry of Railways (Railway Board) have not indicated any specific action taken on their recommendation. The Ministry's reply that "observations of the Committee are noted" is not sufficient. They are required by the Committee to give details of the steps taken or proposed to be taken by them to identify the locations

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\*Para 1.67 of 105th Report—See Chapter II.

where shortfall in loading habitually takes place and identify the reasons therefor and how they propose to ensure adequate supply of suitable wagons to match the per requirement. The Committee again desire the Railways to undertake a thorough study, as recommended, in consultation with the Oil Industry and take necessary action with due promptitude so that shortfalls in loading could be reduced substantially, if not eliminated altogether. The Committee would like to be apprised of the steps taken in this direction.

*Provision of Adequate Terminal Facilities*

(Sl. No. 15, 16 & 17, Paras 1.124, 1.125 & 1.126)

1.6 Stressing the urgency for provision of adequate terminal facilities for efficient and intensive utilisation of tank wagons fleet, the Committee had observed\* that due to lack of adequate unloading facilities there was excessive detentions at destinations. The Railways had initiated steps to develop important terminals for handling full block rakes, and during the past two years, 17 terminals had already been developed and works were in progress/sanctioned for 13 other terminals. The Committee had observed that procurement of tank wagons fleet without necessary infrastructural and operational facilities revealed lack of proper timely planning.

The Committee also observed that the provision of adequate terminal facilities was crucial to the efficient functioning of the transport capacity created for POL tank wagons and had suggested that all the deficiencies like terminal detention or excess turn round resulting in poor availability of wagons could be overcome to a considerable extent by strengthening the infrastructural facilities.

The Committee had also felt that constraint of resources should not be allowed to come in the way of development of these facilities and had desired that provision of infrastructural facilities for handling POL traffic could be accorded high priority in order to ensure that heavy resources already invested are optimally utilised. It was also viewed that delay in provision of terminal facilities will inevitably affect the intensive utilisation of assets created in tank wagons and the Committee desired that there should be a time bound programme of development at the earliest which should be adhered to also.

1.7 In their action taken notes† the Ministry of Railways (Railway Board) have stated that development of full rake handling facilities progressively at some of important terminals is a continuing process, and further that after 1986-87, full rake sidings have been developed at 13 terminals. The Ministry of Petroleum and Natural Gas in their action taken note have stated that the oil industry in consultation with the Railways would make efforts to provide and strengthen the infrastructural facilities wherever considered necessary.

**1.8 While the Committee appreciate the efforts made by the Railways for development of important terminals, they are of the opinion that concerted effort is needed for taking proper timely action for augmenting full rake handling facilities at the remaining already identified terminals. The production and consumption of POL have been steadily and gradually**

\*Paras 1.124, 1.125 & 1.126 of the 105th Report—See Chapter II.

growing over the years in various parts of the country. Even in drought prone areas where the Government propose to provide marginal farmers the benefit of pumpsets for irrigation under 'Jaldhara' Scheme, demand for POL is likely to increase manifold. Further there is conceptual change in the movement of goods by rail from wagon load to rake load. Keeping the above facts in view and in the interest of improving productivity of tank wagon fleet, the Committee feel that there should be proper coordination between the Ministry of Petroleum and Natural Gas and the Ministry of Railways so that the infrastructural facilities for handling POL traffic are strengthened and there is optimum utilisation of assets created in tank wagons. They also urge the Railways to realise the importance and necessity for full rake handling at all terminals and the need for concerted efforts in this direction. It is imperative that a time bound plan is drawn and implemented. The Committee would like to be apprised of further developments in this regard.

## CHAPTER II

### OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED/NOTED BY GOVERNMENT

Petroleum products play a prominent role in the development of national economy. Equally important is the role of the Railways as it provides for the most economical mode of transport for POL traffic in bulk. It is, therefore, necessary that due importance and high priority is accorded to the movement of POL traffic by rail.

[S. No. 1, para 1.37 of 105th Report of PAC (1986-87) VIII Lok Sabha]

#### Action taken

Observations of the Committee are noted.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s case No. 85 TT-II/63/5/Vol. II]

#### Recommendation

The Committee note that as a result of review of procurement and utilisation of tank wagons, the Audit has raised two basic issues viz. (i) procurement of tank wagons in excess of their requirement by the Railways during Sixth Five Year Plan was without justification and had resulted in idle investment of Rs. 46 crores and (ii) the utilisation of tank wagons was below the optimum level due to lack of adequate infrastructural facilities for handling POL traffic, excessive detention, long turnround period and inefficient operations.

[S. No. 2, para 1.38 of 105th Report of PAC (1986-87) VIII Lok Sabha].

#### Action taken

Observations of the Committee are noted.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s case No. 85 TT-II/63/5/Vol. II].

#### Recommendation

In April 1979, the Oil Coordination Committee (OCC) of the Ministry of Petroleum and Chemicals made projections on a computer study regarding rail transport requirements of POL traffic for the Sixth Five Year period (1978-79 to 1982-83). It projected POL traffic at 19.6 million tonnes in 1981-82 and 19.7 million tonnes in 1982-83 for transport by rail tank wagons. As these projections were considered to be on the high side and not likely to materialise, another study of requirement of tank wagons was undertaken by the Railways, which projected the need to procure tank

wagons on the basis of 18 million tonnes of POL traffic by 1982-83. However, there was criticism that Railways had not made adequate provision for procurement of additional tank wagons in keeping with the projections given by the Oil Coordination Committee. So, a further study was undertaken in 1980 and orders were placed for procurement of 11,476 tank wagons against earlier assessment of 7,033 tank wagons.

The following are figures of Oil Coordination Committee's projections, Railway's projection and actual materialisation vis-a-vis targets fixed by the Planning Commission for movement of POL traffic in tank wagons :—

Year	(In million tonnes)			
	Oct's Projections	Railway's Projection	Target	Actual Materialisation
1980—81	18.80	16.50	15.00	14.95
1981—82	19.60	18.00	15.70	16.56
1982—83	19.70	18.00	16.00	17.35
1983—84			17.00	17.95
1984—85			18.00	18.14
1985—86			18.00	18.62

It would be seen from the above figures that Oil Coordination Committee's projections which were the basis for planning procurement of uni-purpose tank wagons by the Railways were not based on realistic perspective estimation and consequently a large number of tank wagons (approximately 15 per cent in 1981-82 and 12 per cent in 1982-83 in terms of the capacity created) had remained surplus. These unrealistic traffic projections by the Oil Coordination Committee is a sad commentary on the demand estimation and projection of Railways' share of POL traffic in tank wagons. The Committee expect that greater indepth study be made by the Ministry of Petroleum and Natural Gas in future so that percentage of error in making demand estimation for POL traffic in tank wagons is reduced to a tolerable minimum.

[Sl. No. 3, Appendix II, Para 1.39 of 105th Report of PAC (Eighth Lok Sabha)].

#### Action taken

The observation of the Committee have been noted. A Working Group consisting of the representatives of the Planning Commission, the Ministry of Railways (Railway Board), the Ministry of Petroleum and Natural Gas and the Oil Coordination Committee has been constituted to conduct indepth studies for periodically re-assessing the Railways' share of POL traffic in tankwagons with a view to maximising the utilisation of rail traffic capacity vide Ministry of Petroleum and Natural Gas's Memo No. P-38012/2/87-Dist., dated 30-10-1987, a copy of which is enclosed.

[Ministry of Petroleum and Natural Gas O.M. No. P-38012/2/87-Dist., dated 18-11-87].

No. P-38012/2/87-Dist.

Govt. of India

Ministry of Petroleum & Natural Gas

New Delhi, the 30th October, 1987

MEMORANDUM

**SUBJECT :—***Working Group on review of POL demand forecasts/estimates and Tank wagon requirements for POL movements.*

The demand forecasts of petroleum products and projections for rail traffic of these products are prepared by the Oil Co-ordination Committee in consultation with the concerned agencies/Depts., taking into account the past consumption and requirement of existing units as well as the projects under execution and proposed to be set up/envisaged in the near future, etc.

2. The Oil Economy Budget, which is prepared every year and which makes projections of demand for petroleum products on an annual basis, is updated periodically and is approved by the Govt.

3. Separately, monthly meetings are held between the Oil Industry and the Railways for planning movement of products on the basis of these approved estimates. As these estimates of movement are liable to undergo significant changes due to unexpected seasonal factors, movement constraints etc., it is considered necessary to establish a formal system of periodical review for the projections of railway traffic, in order to bring these up-to-date and to make them more realistic. Further, it would ensure optimum utilisation of scarce petroleum resources and of railway capacity. The review of these projections would be within the overall levels of demand for petroleum products as estimated by the Oil Coordination Committee, from time to time, and incorporated in the Oil Economy Budget as approved by the Govt. Such a review has also been stressed by the Public Accounts Committee in its 105th Report on procurement and Utilisation of Tank Wagons (1986-87), Ministry of Railways (Railway Board). It has therefore been decided to constitute a Working Group comprising the following :—

- (1) Executive Director. OCC—Convenor.
- (2) Joint Adviser (Pet.), Planning Commission.
- (3) Joint Director (POL), Ministry of Railways (Railway Board).
- (4) Director/Deputy Secretary (Admn. & Mktg.), Ministry of Petroleum & N. Gas.

4. The Working Group will be responsible for conducting in-depth studies for re-assessing the Railways' share of POL traffic in tank wagons with a view to maximising the utilisation of rail traffic capacity, as mentioned also by the Public Accounts Committee in its Report referred to above. The Working Group will meet, as often as considered necessary but atleast twice a year (say, in September and March of every financial

year) and up-date the projections, taking into account the changes in the forward outlook, etc.

5. The Working Group may associate officers of other concerned Deptts., as considered necessary, in the performance of the task assigned to it.

Sd/-

C. L. GIROTRA,

Under Secretary to the Govt. of India.

Tele No. : 389792

To

1. Chairman, Railway Board, New Delhi.
2. Secretary, Planning Commission, New Delhi.
3. Executive Director, Oil Coordination Committee, New Delhi.
4. Joint Adviser (Petroleum), Planning Commission, New Delhi.
5. Joint Director (POL), Ministry of Railways, (Railway Board), New Delhi.
6. Director (A&M), Ministry of Petroleum & N. Gas.

#### **Recommendation**

The procurement of tank wagons was made by the Ministry of Railways (Railway Board) on the basis of assessment of POL traffic to be moved by Railways made by the Oil Coordination Committee of the Ministry of Petroleum and Chemicals after taking into consideration the demand estimates made by the Indian Institute of Petroleum (IIP) Dehradun in its Report dated September 1978 for long range projections of petroleum consumption. As regards the reasons for shortfalls in materialisation of POL traffic, the Committee are informed that out of a total shortfall of 3 million tonnes in 1982-83, 1 million tonne is accounted by Naphtha and 1.5 million tonnes is accounted by furnace oil. As per estimates made by IIP in September, 1978, for Naphtha consumption in 1982-83 was 4 million tonnes. But actual consumption was three million tonnes. Delay in expansion of IPCL affected the consumption of Naphtha. In case of furnace oil, Kakinada and Haldia Fertilizer Plants which were supposed to come up got delayed, resulting in a fall in consumption.

The Committee do appreciate the submission made by the Ministry of Petroleum and Natural Gas that it is necessary to initiate advance action to meet the anticipated requirements of the next few years as even facilities take 2-3 years to be developed and Railways require 2-3 years to provide wagons. However, wisdom lies in prudent utilisation of the scarce resources by proper synchronisation of additional capacity and actual requirements. There is a gap of about three years between the projections of rail borne POL traffic made by Oil Coordination Committee in 1978 and the final procurement of wagons by the Railways on the basis of projected movement of POL traffic of 19.7 million tonnes by 1982-83. Having planned the projections of POL products to be transported by rail, the Ministry of Petroleum and Chemicals failed to coordinate the progress on its proposed

refineries and plants and modify the transport projections accordingly. The Committee would like to impress on the Ministry of Petroleum and Natural Gas that they should not inflate transport requirements of their products and adopt an over cautious approach as investment needs of rail transport are not met from their budget.

[S. No. 4 Appendix II Para 1.40 of 105th Report of PAC (Eighth Lok Sabha)].

#### **Action taken**

As mentioned in the Government's reply to Committee's observations in Para 1.39, an inter-Ministerial Working Group has been constituted to periodically re-assess the Railways' share of POL traffic and update the projections taking into account the changes in the forward outlook, etc.

[Ministry of Petroleum & Natural Gas O.M. No. P-38012/2/87-Dist., dated 18-11-87].

#### **Recommendation**

An analysis of the quantum of POL traffic in tank wagons for transport by rail as per figures available during the 3 years from 1980-81 to 1982-83 during the Sixth Plan period reveals that against projections of 18.8, 19.6 and 19.7 million tonnes in 1980-81, 1981-82 and 1982-83 respectively, the targets fixed by the Planning Commission were 15, 15.7 and 16 million tonnes only. The Committee wonder why the Ministry of Railways (Railway Board) did not try to find out reasons for fixation of lower targets vis-a-vis Oil Coordination Committee projections. The substantial gap of about 3 MTs between Oil Coordination Committee projections and the Planning Commission targets strengthens the belief of the Committee that the Planning Commission was aware of non-materialisation of anticipated consumption of naphtha and furnace oil on account of delay in completion of fertilizer projects. The Committee have every reason to observe that had the Ministries then with a little foresight kept vigil over the stage of commissioning of the proposed projects, a lot of scarce resources could have been saved from idle investment. The Committee trust that this aspect will be taken into consideration while formulating transport projections for rail transport and requirement of tank wagons in future.

[S. No. 5, para 1.41 of 105th Report of PAC (1986-87) VIII Lok Sabha].

#### **Action taken**

Observations of the Committee are noted. In fact, based on the previous experience railways have become quite circumspect in acquiring new tank wagons.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s case No. 85 TT.II/63/5 Vol. II]

The aspect of optimum utilisation of scarce resources would be taken care of by the Working Group, which includes the representatives of the Railways and the Planning Commission and which has been constituted on October 30, 1987 to periodically go into the quantum of POL rail traffic and the requirement of tank wagons.

[Ministry of Petroleum & Natural Gas O.M. No. P-38012/2/87-Dist. dated 18-11-87].

### **Recommendation**

The Railways as a core national carrier has to discharge the responsibility assigned to them. However, keeping in view of the excessive procurement of tank wagons in the past fixation of lower targets by the Planning Commission vis-a-vis capacity created, and under-utilisation of capacity for movement of POL traffic in tank wagons the Committee find that there is lack of proper coordination among the Ministries of Petroleum and Natural Gas, Railways and the Planning Commission in these matters. The Committee desire that in future an integrated view of investment in the economy and full utilisation of the capacity created should invariably be taken. With this end in view, the Committee recommend that there should be an established formal system of consultation among these wings of the Government in all aspects of procurement and optimum utilisation of tank wagons.

[S. No. 6, para 1.42 of 105th Report of PAC (1986-87) VIII Lok Sabha].

### **Action taken**

It is understood that an inter-ministerial group comprising representatives from the Planning Commission, Ministry of Petroleum & Natural Gas and Ministry of Railways has been formed. This group will periodically review the trends in the pattern of growth vis-a-vis the targets and recast requirements.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s case No. 85 TT.II/63/5 Vol. II]

The recommendation made by the Committee has been accepted. A formal system of consultation with the Railways and the Planning Commission has been established by appointing a Working Group for reviewing the POL rail transport capacity, etc., as indicated in Government's reply to the observations in para 1.39 of the 105th Report.

[Ministry of Petroleum & Natural Gas O.M. No. P-38012/2/87-Dist., dated 18-11-87].

### **Recommendation**

Another important matter which the Audit had raised is that despite increase in tank wagon fleet the Railways were unable to meet the slate

(target for daily loadings). The shortfall in loading vis-a-vis the slate was 7.2 per cent in 1980-81, 8.5 per cent in 1981-82 and 10.2 per cent in 1982-83 and 10.9 per cent in 1983-84. The Audit has further pointed out that the shortfall was chronic at Kandla, Mathura, Siliguri, Tinsukia, Bongaingaon and Tiruchi. A base-wise analysis of the loadings vis-a-vis slate during 1983-84 showed that out of 28 bases (BG 15 and MG 13) none of the bases were able to meet the slate. This only strengthens the view of the Committee that the management of POL tank wagons and the Railways' ability to meet the slate has been poor in all these years.

[S. No. 7, para 1.65 of 105th Report of PAC (1986-87) VIII Lok Sabha].

#### **Action taken**

Observations of the Committee are noted. Railways have lifted petroleum products in excess of the target in all the years in the recent past as given in para 1.39 of the report and reproduced below :—

(In million tonnes)

<i>Year</i>	<i>Target</i>	<i>Actual</i>
1980-81	15.00	14.95
1981-82	15.70	16.55
1982-83	16.00	17.34
1983-84	17.00	17.95
1984-85	18.00	18.17
1985-86	18.00	18.63
1986-87	18.50	19.76

While Railways may not have met the rail transport requirement in an odd case here and there, the shortfall was largely due to non-materialisation of demand, less availability of products, unplanned plant shut downs, breaches and law and order situation.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s case No. 85 TT.II/63/5 Vol. II]

#### **Recommendation**

According to the Ministry of Petroleum and Natural Gas the slate is fixed in association with the Railways whereas the Railways have pointed out that their experts were associated at the stage when OCC had already finalised their requirement through computer study. According to them, "the slate should have been in conformity with the actual loading done by the Railways." The Railways have further stated that their failure to meet the slate was confined mainly to the North Eastern region due to severe line capacity constraints and the then prevalent law and order situation. From November, 1985 onwards, these constraints have been removed and they were meeting the full demand of the oil industry at present. The Committee hope that with a better dialogue

between the two concerned Ministries, it would not be difficult for the Railways to meet the slate in full in future.

[S. No. 8, para 1.66 of 105th Report of PAC (1986-87) VIII Lok Sabha].

#### **Action taken**

Observations of the Committee are noted.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s case No. 85 TT.II/63/5 Vol. II]

As far as the Ministry of Petroleum and Natural Gas is concerned, a constant liaison with the Railways is being maintained by this Ministry and the Oil Coordination Committee for movement of petroleum products to ensure that the agreed slate is adhered to. The Inter-Ministerial Working Group, constituted on the 30th October, 1987, is also expected to assist in achieving this objective.

[Ministry of Petroleum & Natural Gas O.M. No. P-38012/2/87-Dist., dated 18-11-87].

#### **Recommendation**

The performance of the Railways in the movement of POL traffic in tank wagons when reviewed in the light of targets fixed by the Planning Commission seems to be satisfactory. The Railways had been consistently going above the targets since 1981-82. The Railways have also claimed during evidence that the overall movement of petroleum and diesel in the country exceeded the target in each month. The Committee, however, is given to understand that at certain locations at micro level the loading by the Railways had not been according to the slate fixed by the oil industry. It did not meet the demand level. This was due to wagons in short supply and the paucity of suitable wagons resulting in transport of POL by road. This easily could have been avoided with so much of surplus of tank wagons at their disposal. The Committee desire that the Ministry of Railways (Railway Board) should keep the position under constant review and make sustained efforts to minimise shortfalls in loading at micro levels. With this end in view the Committee would like the Ministry to undertake a thorough study with a view to identifying the locations where shortfall in loading habitually takes place and exploring ways and means to ensure adequate supply of suitable wagons as per requirement.

[S. No. 9 para 1.67 of 105th Report of PAC (1986-87) VIII Lok Sabha].

#### **Action taken**

Observations of the Committee are noted.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s case No. 85 TT.II/63/5/Vol. II]

#### **Recommendation**

The Committee note that road bridging or road movement of POL products to railfed areas is being resorted to by Oil companies mainly due

to (i) inadequate tank wagons availability, (ii) inadequate availability of suitable wagons, (iii) lack of terminal facilities, (iv) spurt in demand due to delayed monsoon, sudden power cuts, etc. and (v) temporary break down in rail transport due to breaches, floods, law and order situation, etc. Road movement was resorted to as a regular measure in the North Eastern and Southern sectors owing to inadequate tank wagons and/or inadequate rail facilities during the period under review. In the Southern sector the rail facilities at loading and unloading points which were inadequate resulting in lower materialisation of tank wagons movement have since been augmented to the required capacity and the constraints eliminated. In the North Eastern Sector, the Railways have line capacity constraints for movement of freight traffic on single line B.G. route via Farraka and higher priority to essential food items and fertilisers.

The Ministry of Railways (Railway Board) have also pointed out that certain road movement of POL products are inevitable due to locations within the close proximity of the Refinery, pipeline terminals and tap off points and to locations where rail heads are not available. The Railways have also stated that for short distances it is uneconomical to move POL by rail. The Committee, however, feel that in view of the large expenditure incurred by the Ministry of Petroleum and Natural Gas on road bridging on the plea of inadequate tank wagons, there is scope for re-appraisal of road bridging policy and identifying expeditiously the areas where road bridging can be eliminated.

[S. No. 10, para 1.78 of 105th Report of PAC (1986-87) VIII Lok Sabha]

#### Action taken

Observations of the Committee are noted.

This has been seen by Audit

[Ministry of Railways (Rly. Bd)'s case No. 85 TT.II/63/5/Vol. II]

The recommendation of the Committee has been noted. It has always been the endeavour of OCC to keep road movements to the minimum and approvals for road movement are given only on a strictly need-based basis.

During the period under review, there were severe constraints at Vizag, Cochin and Madras in railway tank-wagon loading; these have since been overcome. Similarly, with the opening of an additional rail link from the North East towards the end of 1985, by-passing Farakka, the constraints of moving products to and from the North East states have also reduced considerably.

In consultation with Railways, OCC would continue to exercise control on road movement with a view to first utilizing available Railway resources; however, certain road movement, to locations which are only linked by road and which are in the vicinity of refineries/primary supply sources where road movement is more economical than rail movement, would continue. Also, road bridging necessitated by sudden spurts in demand, temporary break-down in rail linkages/capacity, spot tankwagon shortages, shortage of special product tankwagons etc., as brought out in the

Report also, would need to be undertaken to ensure sustained supply of essential petroleum products in the market.

[Ministry of Petroleum & Natural Gas O.M. No. P-38012/2/87- Dist., dated 18-11-87].

### Recommendation

The Committee note that almost all the LPG tank wagons, except 54 wagons, are jointly owned by the Oil Industry and the Railways. Maintenance of barrels, including POH of these tank wagons, as a policy, is to be organised by the oil industry. Railways maintain the under frames only. Whereas the Hindustan Petroleum Corporation Ltd. and the Bharat Petroleum Corporation Ltd. have maintenance facilities, the Indian Oil Corporation Ltd. has not developed these facilities. It was only in 1982 that the Railways came to their rescue on being approached by them. Thus the overdue POH wagons were not available for loading. Hindustan Petroleum Corporation did not increase maintenance facilities to be commensurate with the increase in their fleet rendering more wagons stabled. Thus non-availability of wagons coupled with non-availability of terminals for handling resulted in longer detention at unloading points. Consequently inspite of increase in LPG wagon holding the loading had not increased proportionately and unnecessary expenditure was being incurred on road-bridging by the Ministry of Petroleum and Natural Gas. The Ministry of Petroleum and Natural Gas have only expressed concern by saying, "the oil companies are quite concerned about the heavy turn round of LPG tank wagons. . . . All efforts are being made to review the loading and unloading constraints as early as possible." The Committee feel that the performance of the Ministry of Petroleum, Oil Companies and the Ministry of Railways in the matter of movement of LPG has to improve in a big way, since the production and consumption of LPG is going to increase manifold in the near future.

[S. No. 11, para 1.88 of 105th Report of P.A.C. (1986-87) VIII Lok Sabha]

### Action taken

To start with, LPG was being handled at the depots where other POL products were being dealt with. And, at no such place full rake facilities for unloading LPG were available. Subsequently, it was decided to provide facilities for handling full rakes at both loading and unloading terminals. These facilities were under development during 1986-87. Hence, no benefit could accrue as a result of these facilities during these years. However, there has been substantial improvement in loading of LPG without any increase in the holding of stock. The comparative figures are given below :—

Year	Holding of L P G Tank wagons	Average L P G tank wagon loading per day.
1984-85	1025	33.6
1985-86	1025	40.2+19.6%
1986-87	1024	45.6+13.4%

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s case No. 85TT.II/63/5/Vol.II]

(i) The system for the over-all maintenance of LPG wagons has since improved considerably and all the oil companies now have adequate arrangements for LPG wagon repair/POH facilities.

(ii) Owing to the improved repair/POH facilities a large number of wagons, which were out of circulation, have now been brought under operation and the ratio of wagons on POH/repairs to fit wagons has been considerably reduced.

(iii) The oil industry has also since commissioned a number of rail-fed bottling plants and the entire available fleet of TG wagons is now being fully utilized except in the case of unforeseen developments, such as unscheduled shut downs/production problems, delay in arrival/discharge of import parcels, breaches etc.

[Ministry of Petroleum & Natural Gas O.M. No. P-38012/2/87-Dist., dated 18-11-87]

### **Recommendation**

A review by the Audit of the indents placed by Oil companies, supply of tank wagons and their loading reveals that (i) the indents placed by the oil companies were higher than the slate; (ii) supply was in excess of indents slate; and (iii) number of wagons loaded was less than those supplied. Reasons for excessive indenting oil companies, apprehension about unfit wagons being supplied and for excessive supply by the Railways is to meet the unforeseen factors. The reasons for shortfall in loading with reference to supply are unsuitability of wagons, wrong placement, and wagons being marked sick due to mechanical defects.

The Committee fail to understand the rationale behind excessive indenting by the oil companies. Supply of tank wagons in excess of indent/slate by the Railways is also not desirable except in exceptional circumstances. There should be better coordinated efforts between the oil companies and the Railways.

The Committee recommended that the oil companies should place indents for wagons as per their requirement to meet the slate after taking into consideration the possible rejections and supply by the Railways accordingly.

[S. No. 12, para 1.114 of 105th Report of P.A.C. (1986-87) VIII Lok Sabha]

### **Action taken**

Observations of the Committee are noted.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s case No. 85TT.II/63/5/Vol.II]

(i) An indenting procedure has been evolved to ensure that advance intimation is given to the Railways regarding the demand of the oil industry so that the Railways can take action to distribute the tankwagon fleet in such a fashion that demands from various bases are met. There are certain bases where it takes 2 to 3 days for a rake to reach in case the demand

for it is placed. In accordance with the agreed procedure, indents at such locations too, are placed 24 hours in advance and are valid for 3 days so as to enable the Railways to take suitable action.

(ii) Railways tankwagon availability is not uniform and on a day-to-day basis, could be higher or lower than the slate. To enable the concerned base to load all available wagons, indents higher than the slate are placed at that base so that any additional availability of fit Railway tank-wagons is fully utilized. This system is also in line with the Railway's overall operating needs.

(iii) Indents are placed as per procedure laid down by Railways in consultation with OCC. The procedure was updated/consolidated and circulated to all concerned in 1985 (a copy of the relevant circular No. 85/TT-II/62/I dated 4-9-1985 is enclosed).

(iv) The oil companies would, however, continue to ensure that indents placed by them for tankwagons would conform to their actual requirement as also to the need of the Railways so as to achieve the slate by better co-ordination with the Railways.

(v) In view of the above position as well as the deliberations of the inter-Ministerial Working Group appointed on the 30th October, 1987, it is hoped that the objectives underlined in the recommendation should be achieved.

[Ministry of Petroleum & Natural Gas O.M. No. P-38012/2/87-Dist.,  
dated 18-11-87]

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

RAILWAY BOARD

No. 85/TT-II/62/T.

New Delhi, dated 4-9-1985.

The General Managers,

Central Railway, Bombay.

Eastern Railway, Calcutta.

Northern Railway, New Delhi.

Northeast Frontier Railway, Maligaon, Gauhati.

South Central Railway, Secunderabad.

South Eastern Railway, Garden Reach, Calcutta.

Western Railway, Bombay.

Southern Railway, Madras.

North Eastern Railway, Gorakhpur.

**SUBJECT** :—Procedure for indenting, cancellation of indents and levy and forfeiture of registration fee—in respect of POL traffic.

On this subject Railway Board has issued following circulars :

- (i) No. T.II/80/101/6 dated 29-8-1981.
- (ii) No. T.II/80/101/6 dated 31-12-1981.
- (iii) No. 82/TT.II/73/G/I dated 13-10-1982.
- (iv) No. 83/TT.II/73/G dated 11-3-1983.

Since various Zonal Railways are following different procedure regarding the items referred to above, a consolidated circular covering all these instructions is reproduced below :—

- (1) Indents for POL traffic shall be placed by the oil companies as and when necessary but not later than 24 hours before the date of loading.
- (2) Indents shall be placed in units of rakes, the size of the same being specified for respective circuits/customers by the Zonal Railways.
- (3) Indents shall be permitted to be cancelled by the indenter in writing after 3 days from the date of indenting, if the wagons were not supplied earlier.
- (4) Indents placed by the oil Companies will remain valid upto 3 days after the expiry of the month i.e. commulative of outstanding indents of previous month will be carried over upto the 3rd of the next month. From the 4th onwards, there will be no carry-forward of outstanding indents of previous month except those outstanding indents which pertain to 1st to 3rd of the same month.
- (5) In case of emergency one change of destination in Zone might be permitted with the prior approval of the concerned railway authorities. However, no cut of supply zone movement/change of destination shall be permitted without the prior approval of Chairman/RIPMSC/JDT (POL).
- (6) Since the indents will be valid for a minimum period of three days registration fee for 3 days is a must (all the oil companies must deposit registration fee equivalent to 3 days of average slate).
- (7) Existing commercial rules for the forfeiture of indents will apply for the POL traffic also.

Necessary instructions to the staff concerned communicating all the above references may kindly be issued.

Please acknowledge. Hindi version will follow.

Sd/-

(M. N. CHOPRA)

Jt. Director, Traffic (POL),  
Railway Board.

Copy to :

1. Chairman/RIPMSC & CTWS C/o COPS, Central Railway, Bombay.
2. Chairman/RIPMSC & CTWS C/o COPS, Eastern Railway, Calcutta.
3. Chairman/RIPMSC & Dy. COPS (FH), Northern Railways, New Delhi.

4. Chairman/RIPMSC & Dy. COPS (G), Southern Railway, Madras.
5. Chairman/RIPMSC & Dy. COPS (G), N. E. Railway, Gorakhpur.
6. Chairman/RIPMSC & Dy. COPS (G), N. F. Railway, Maligaon, Guwahati.
7. Chairman/RIPMSC & Dy. COPS (G), S. C. Railways, Secunderabad.
8. Chairman/RIPMSC & Sr. DOS. S.E. Railway, Waltair.
9. Chairman/RIPMSC & Addl. COPS (I&S), S. E. Railway, Calcutta.
10. Chairman/RIPMSC & STO (POL), Western Railway, Bombay.
11. Chairman/I.O.C., Head Office, New Delhi.
12. Chairman & Managing Director, BPCL, Bharat Bhavan, Bombay-400038.
13. Chairman & Managing Director, HPCL, Petroleum House, Bombay-400020.
14. Chairman, Bombay Port Trust Railways, Bombay.
15. Chairman, Calcutta Port Trust, Calcutta.
16. Chairman, Vizag Port Trust, Vizag.
17. Chairman, Haldia Port Trust, Haldia.

### **Recommendation**

The very important issue so far as the economic use of tank wagon is concerned, is the turn round time. The Audit has pointed out that had the action been taken to eliminate or minimise the unjustifiable detentions and optimise the utilisation of wagons, the procurement of a large number of tank wagons could have been avoided. Reduction of even one day in the turn round time would mean saving of 2250 tank wagons with an investment of Rs. 25 crores at present day cost.

According to an analysis of turn round time made by the Audit, actual turn round time should have been 7 days only whereas turn round time observed by the Railways was 12 days. The period of five days unaccounted for detention in yards i.e. detentions to wagons before placement in base stations and after release from the terminal depots was very high. In a note to the Committee, the Ministry of Railways (Railway Board) have stated that turn round is affected due to lack of terminal facilities, lead, block rake or piece-meal movement, detention enroute and at terminals, topography of the area, change from traction from diesel to electric, repair in sick lines or workshop, periodic overhaul etc. and excessive detentions in ports where refineries and loading depots are located. According to an analysis made by the Railways in 1983-84 regarding utilisation of tank wagons, only 17,965 tank wagons out of a total fleet of 28,600 were available for block rake movement and achieved a turn round of 9.3 days. They have also achieved turn round varying from 5 to 7 days in cases of block rakes moving over a lead of about 500 kilometres. As certain percentage of tank wagons are always not available for use on account of being under repair in workshops or undergoing periodic overhaul, and

certain unforeseen factors, it is not possible to achieve a turn round of 7 days for the total fleet, the Ministry have pointed out. However, as a result of concerted efforts made by them there has been improvement in the turn round of tank wagon fleet from 12.7 days in 1980-81 to 11.7 days in 1985-86. It is hardly necessary for the Committee to point out that if the Railways are to make optimum utilisation of their tank wagon fleet, the second thing (after provision of terminal facilities) they have to do is to bring significant improvement in turn round time. In a note to the Committee, the Ministry have stated that a number of important steps have been taken to bring about improvement in turn round. These *inter alia* include switch over to block rake movement, end to end running skipping intermediate yards, strengthening of terminal facilities and close watch on movement to avoid congestion on routes and/or at terminals. The Committee found that performance of the Southern Railway with regard to movement of tank wagons was of a very high order. There is no reason why other Railways are not able to match the performance of Southern Railway. The Committee recommend that Railway Board to achieve the same efficiency in other Railways.

[S. No. 13, para 1.115 of 105th Report of P.A.C. (1986-87) VIII Lok Sabha]

#### Action taken

Railways are continuously engaged in improving the productivity of tank wagon fleet. As a result of these efforts, loading of tank wagons on the broad gauge system has considerably improved inspite of a marginal drop in holding of tank wagons. The particulars are given below :—

Year	Holding of tank wagons (Broad Gauge)	Daily average loading of tank wagons	Percentage improvement over Previous Years
1985-86	29,049	2,239	....
1986-87	28,911	2,370	6.2
1987-88 (April— Sept)	28,758	2,546	7

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s case No. 85 TT.II/63/5/Vol. II]

#### Recommendation

One of the Audit objections related to heavy detention at base stations and terminal depots. According to an analysis made by the Audit, unaccounted detentions in yards i.e. detention to wagons before placement in base stations and after release from the terminal depots are very high. Detentions at some base stations for loading (placement to removal) ranges from 6 hours at Tondiarpet (Madras) to 43 hours at Budge Budge (Eastern Railway). Total detentions from arrival to placement, placement to removal and removal to despatch is high at Budge Budge, Gauhati and Barauni whereas it has shown an increase at Haldia. As regards the

reasons, the Ministry of Railways (Railway Board) have stated that detention at loading bases at Budge Budge, Gauhati and Barauni is primarily due to limited gantry capacity available for loading bases and at Haldia due to non-availability of port locomotives. The Committee need hardly point out such detentions stand in the way of optimum utilisation of rolling stock by the Railways. The Committee would like the Railways to take effective steps to reduce detentions to wagons in these areas to the barest minimum. The Railway Administration should take up the matter with Haldia port authorities at appropriate level and impress upon them the urgency in the matter. In case of Budge Budge, Gauhati and Barauni, the Committee recommend the Railways and the refinery authorities to examine feasibility of the expansion to the gantry capacity on priority. The Committee would like to be apprised of the steps taken in this direction.

[S. No. 14, Para 1.123 of 105th Report of PAC (1986-87) VIII Lok Sabha]

#### Action taken

Oil industry has initiated action to revamp the facilities at Gauhati and Barauni. Similarly, Railways have undertaken the work to increase the capacity of the railway siding at Budge Budge. At Haldia, oil industry has developed proposals to expand the gantry capacity in order to accommodate full block rake loading which will to some extent reduce the detention in Haldia complex.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s case No. 85TT.II/63/5/Vol.II]

As far as the Ministry of Petroleum & Natural Gas is concerned, the following measures have been taken/are being taken :—

(i) Revamping of facilities as required by the oil industry has already been done at Guwahati and Barauni.

(ii) At Budge Budge, the oil industry has elaborate plans for improving the facilities; however, the expansion of the railway siding is pending with the Railways due to which the expansion and augmentation of facilities is delayed. The matter is being followed up with the Railways regularly.

(iii) At Haldia, action is required both by the oil industry and the Railways. As far as the oil industry is concerned, IOC is already in the process of extending its gantry to enable it to load a full rake at a time.

[Ministry of Petroleum & Natural Gas O.M. No. P-38012/2/87-Dist.,  
dated 18-11-87]

#### Recommendation

One of the reasons for excessive detentions at destination is the lack of adequate loading facilities. In this connection, the Committee are informed that Railways have initiated steps to develop important terminals for handling full block rakes. During the past two years, 17 terminals have already been developed and works are in progress/sanctioned for 13 other terminals. Paucity of resources has held up development of facilities at

the remaining 43 BG terminals. The Committee observe that procurement of tank wagons fleet without necessary infrastructural and operational facilities reveals lack of proper timely planning.

The Committee feel that the provision of adequate terminal facilities is crucial to the efficient functioning of the transport capacity created for POL tank wagons. Whether it is a question of avoidable terminal detentions or excessive turn round resulting in poor availability of wagons for loading or road bridging due to paucity of tank wagons or abnormally high detention to LPG wagons—all these deficiencies can be overcome to a considerable extent by strengthening the infrastructural facilities.

[S. Nos. 15 & 16, paras 1.124 and 1.125 of 105th Report of P.A.C. (1986-87) VIII Lok Sabha].

#### **Action taken**

The process to develop full rake handling facilities progressively at some of the important terminals is a continuing one. During 1986-87 and thereafter, full rake sidings have been developed at the following terminals :—

Kochuveli, Coimbatore (North), Cannanore, Subedarganj, Hanumangarh (MG), Hissar, Rai-ka-bagh (MG), I. P. Power House Siding, Bhadli, Ramnagar (MG), Cuttack and Bareilly.

This has been seen by Audit.

[Ministry of Railways (Rly. Bd)'s case No. 85TT.II/63/5/Vol.II].

#### **Action taken (Re. S. No. 15)**

So far as the oil industry is concerned, facilities to handle full block rakes of POL at a number of locations have since been developed. The oil industry has taken up the matter with the Railways to furnish details where facilities, if any, are still to be provided by the oil industry.

[Ministry of Petroleum & Natural Gas O.M. No. P-38012/2/87- Dist., dated 18-11-87].

#### **Action taken (Re. S. No. 16)**

As far as the oil industry is concerned, the recommendation has been noted. The oil industry would make efforts to strengthen the infrastructural facilities wherever considered necessary and feasible.

[Ministry of Petroleum & Natural Gas O.M. No. P-38012/2/87- Dist., dated 18-11-87].

#### **Recommendation**

The Committee on Public Undertakings had in their 49th Report (5th Lok Sabha) in 1975-76 *inter alia* emphasised the need for augmentation of storage capacity, development of adequate tank wagon fleet to reduce road bridging and development of terminal facilities for better utilisation of tank wagons. The Committee are informed that the oil industry in June 1981 indicated the need for additional tankage of 3.16 million kls. by 1986-87 requiring estimated financial outlay of Rs. 148 crores. However, because of constraints of resources expansion of tankage capacity is

being done in a phased programme. The Committee further note that 43 BG and 12 MG terminals receiving POL traffic still lack facilities for handling full block rakes and matching facilities by the oil industry. The Railway have already procured surplus tank wagon fleet. As these facilities are essential inputs for better utilisation of tank wagon and optimisation of Railway productivity, the Government ought to have gone in for integrated programme for development of these facilities alongwith the procurement of tank wagons during Sixth Plan. The Committee are surprised to find that on one hand the Ministry of Petroleum and Natural Gas has been insisting upon the Ministry of Railways to plan procurement of adequate tank wagon fleet for movement of POL traffic, while they have not made provision of matching facilities for their better utilisation. The Committee feel that constraint of resources should not be allowed to come in the way of development of these facilities. The Committee are of the firm opinion that provision of infrastructural facilities for handling POL traffic are to be accorded high priority in order to ensure that heavy resources already invested are optimally utilised. The Committee note that the matter regarding development of infrastructural facilities was discussed in an inter-Ministerial meeting held in January, 1981. The decisions taken have not, however, been implemented in full. The delay in provision of terminal facilities will inevitably affect the intensive utilisation of assets created in tank wagons. The Committee desire that there should be a time bound programme of development at the earliest and it should be adhered to also.

[S. No. 17, Appendix II, Para 1.126 of 105th Report of PAC (Eighth Lok Sabha)].

#### **Action taken**

As stated in Government's reply to Committee's observation in para 1.124 of the Report, necessary action will be taken by the oil industry on a time-bound basis on receipt of particulars of places where facilities are still required to be provided by the oil industry.

It may be mentioned that additional product tankage to the extent of 9,58,206 Kls. has been constructed by 1986-87 under Phase I of the Additional Product Tankage Project. Further tankage to the extent of 3,45,695 Kls. under Phase II-A has been taken up. The Oil industry has also been advised to consider construction of more tankage based on operational necessity.

[Ministry of Petroleum & Natural Gas O.M. No. P-38012/2/87- Dist., dated 18-11-87].

#### **Recommendation**

The Committee were informed that the investment needs to improve the loading/unloading and yard facilities inside the premises of the oil companies is to be met by them and their response in the matter is not encouraging. The Committee strongly deprecate such tendency and would urge that sectorial approach should be given up keeping in view over all national interest.

[S. No. 18, Appendix II, Para 1.127 of 105th Report of PAC (Eighth Lok Sabha)].

### **Action taken**

As mentioned in Government's reply to the Committee's observation in para 1.125, the oil industry would endeavour to set up infrastructural facilities to match with the railway facilities, in consultation with the railway authorities. To ensure adequate action and to follow an integrated approach in this regard, the forum of the existing Railway Inland Petroleum Movements Committee (RIPMC), which is the central coordinating committee of the Railways and the oil industry, is proposed to be used. This body is considered to be appropriate to study locational problems, identify the reasons for the same and recommend/implement corrective action. It would look into short-term policy matters pertaining to the Railway/Oil Industry where railway tank-wagon loadings are concerned and would mainly :

- (1) Deal with all matters pertaining to available operating infrastructure.
- (2) Look into and resolve current recurring bottlenecks.
- (3) Make short-term projections on base-wise tank-wagon requirements for inter-base fleet adjustments.
- (4) Give decisions on inter-policy matters that may be referred to the RIPMC by the RIPMCs.
- (5) Review and give decisions regarding procedural matters pertaining to identifying and loading of tankwagons.

The RIPMC would meet at least once in a quarter.

The recommendations of the RIPMS/RIPMSCs that can be implemented by the Railway/OCC would be implemented.

The issues requiring higher policy decisions would be referred to the inter-Ministerial Working Group constituted on the 30th October, 1987, as referred to in the reply to observations made in para 1.39.

[Ministry of Petroleum & Natural Gas O.M. No. P-38012/2/87-Dist., dated 18-11-87].

**CHAPTER III**

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

**— NIL —**

**CHAPTER IV**

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

—NIL—

**CHAPTER V**

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

—NIL—

NEW DELHI;  
*April 8, 1988*

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*Chaitra 18, 1910 (Saka)*

AMAL DATTA  
*Chairman,*  
*Public Accounts Committee*

**PART II**  
**MINUTES OF THE 40TH SITTING OF THE PUBLIC ACCOUNTS**  
**COMMITTEE HELD ON 5TH APRIL, 1988**

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The Committee sat from 1530 to 1615 hours.

**PRESENT**

Shri Amal Datta—Chairman

**MEMBERS**

2. Shri Ajay Mushran
3. Shri Chiranjil Lal Sharma
4. Shri Pratap Bhanu Sharma
5. Dr. Chandra Shekhar Tripathi
6. Shri M. S. Gurupadaswamy
7. Shrimati Manorama Pandey
8. Shri B. Satyanarayan Reddy
9. Shri T. Chandrasekhar Reddy

**SECRETARIAT**

1. Shri B. D. Dugal—Chief Financial Committee Officer
2. Shri S. M. Mehta—Senior Financial Committee Officer

**REPRESENTATIVES OF THE AUDIT**

1. Shri G. M. Mani—*ADAI (Reports)*
2. Shri P. Ramanathan—*Director (Indirect Taxes)*
3. Shri A. K. Sitaram—*Joint Director (Railways)*
4. Shri S. K. Gupta—*Joint Director (Indirect Taxes)*

2. The Committee considered the following Draft Reports and adopted them :

\*                    \*                    \*                    \*  
\*                    \*                    \*                    \*

(iii) Draft Report on action taken on recommendations contained in 105th Report of the Public Accounts Committee (8th Lok Sabha) regarding Procurement and Utilisation of Tank Wagons.

3. The Committee authorised the Chairman to finalise the Draft Reports in the light of verbal changes arising out of factual verification by the Audit and present them to the House.

\*                    \*                    \*                    \*

*The Committee then adjourned.*

## APPENDIX I

### *Categorisation of Action Taken Notes on the Observations/Recommendations contained in the 42nd Reports*

- (i) Recommendations and observations that have been accepted/  
noted by Government :  
Sl. Nos. 1 to 18
- (ii) Recommendations and observations which the Committee do  
not desire to pursue in the light of the reply is received from  
Government :  
— Nil —
- (iii) Recommendations and observations reply to which have not  
been accepted by the Committee and which require reiteration :  
— Nil —
- (iv) Recommendation and observation in respect of which Govern-  
ment have furnished interim reply :  
—NIL—

## APPENDIX II

### *Statement of Observations and Recommendations*

Sl. No.	Para No	Ministry concerned	Observations/Recommendations
1	2	3	4
1	1-5	Ministry of Railways (Railway Board)	<p>The Committee find that the Ministry of Railways (Railway Board) have not indicated any specific action taken on their recommendation. The Ministry reply that "observations of the Committee are noted" is not sufficient. They are required by the Committee to give details of the steps taken or proposed to be taken by them to identify the locations where shortfall in loading habitually takes place and identify the reasons therefor and how they propose to ensure adequate supply of suitable wagons to match the per requirement. The Committee again desire the Railways to undertake a thorough study, as recommended, in consultation with the Oil Industry and take necessary action with due promptitude so that shortfalls in loading could be reduced substantially, if not eliminated altogether. The Committee would like to be apprised of the steps taken in this direction.</p>



While the Committee appreciate the efforts made by the Railways for development of important terminals they are of the opinion that concerted effort is needed for taking proper timely action for augmenting full rake handling facilities at the remaining already identified terminals. The production and consumption of POL have been steadily and gradually growing over the years in various parts of the country. Even in drought prone areas where the Government propose to provide marginal farmers the benefit of pumpsets for irrigation under 'Jaldhara' Scheme, demand for POL is likely to increase manifold. Further there is conceptual change in the movement of goods by rail from wagon load to rake load. Keeping the above facts in view and in the interest of improving productivity of tank wagon fleet, the Committee feel that there should be proper coordination between the Ministry of Petroleum and Natural Gas and the Ministry of Railways so that the infrastructural facilities for handling POL traffic are strengthened and there is optimum utilisation of assets created in tank wagons. They also urge the Railways to realise the importance and necessity for full rake handling at all terminals and the need for concerted efforts in this direction. It is imperative that a time bound plan is drawn and implemented. The Committee would like to be apprised of further developments in this regard

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