

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:5907
ANSWERED ON:26.04.2001
LOSS DUE TO INADMISSIBLE CONCESSIONAL TARIFF
RAMJI MANJHI

Will the Minister of RAILWAYS be pleased to state:

- (a) whether Railways have suffered a loss of Rs.17.14 crore due to application of inadmissible concessional tariff on export consignments during 1994 to 1997;
- (b) if so, the details thereof alongwith reaction of the Government thereto;
- (c) the measures the Government propose to take for recovery of that amount and to ensure that such incidents do not occur in future;
- (d) whether the Railway had also suffered a loss of Rs.65.82 crore during 1992 due to non-provision of higher classification for rock phosphate transported for use other than fertilizer;
- (e) if so, the details thereof and the measures taken for recovery of the amount;
- (f) whether any responsibility and accountability has been fixed in the matter; and
- (g) if not, the reasons therefor ?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI DIGVIJAY SINGH)

(a) to (g): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (g) OF UNSTARRED QUESTION NO.5907 BY SHRI RAMJI MANJHI TO BE ANSWERED IN LOK SABHA ON 26.04.2001 REGARDING LOSS DUE TO INADMISSIBLE CONCESSIONAL TARIFF

(a) to (c): No Sir, the alleged loss which was also pointed out by Audit in their report No.9 of 1998, was not actual but based on hypothetical ground that export consignment should be charged at higher freight rate. However, the suggestion that a commodity meant for export should be charged at a higher freight rate has not been accepted by the Ministry of Railways as such discrimination would act as a disincentive for export and be difficult to administer.

(d) to (g): No sir, the alleged loss which was also pointed out by Audit in their report No.9 of 1998 was not actual and based on the ground that a commodity being used for industrial use should be charged at higher class and when used for agricultural purposes at lower class. The Central Government's decision to keep the freight rates for rock phosphate low was that it constitutes the basic raw material for manufacture of fertilizer and it was necessary to help agriculture by keeping the overall price of Rock Phosphate low. Rock Phosphate is used directly as manure as well as for manufacture of complex fertilizers. It is a low rated commodity and cannot bear higher freight rate even if used for industrial purposes. Dual classification of a commodity is also difficult to administer, as there are chances of mis- declaration by unscrupulous consignors to avail of the benefit of lower classification.