

**PUBLIC ACCOUNTS COMMITTEE**  
**(1972-73)**

( FIFTH LOK SABHA )

**FIFTY-THIRD REPORT**

[Action taken by Government on the recommendations contained in the 11th Report ( Fifth Lok Sabha ) on Audit Report ( Railways ) 1970 and Appropriation Accounts ( Railways ) 1968-69]



**LOK SABHA SECRETARIAT**  
**NEW DELHI**

*November, 1972/Agrahayana, 1894 (Saka)*

*Price: Rs. 3*



## CONTENTS

	PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (1972-73) . . . . .	(iii)
INTRODUCTION . . . . .	(v)
CHAPTER I Report . . . . .	1
CHAPTER II Recommendations/Observations that have been accepted by Government . . . . .	21
CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in the light of the replies of Government . . . . .	101
CHAPTER IV Recommendations/Observations replies to which have not been accepted by the Committee and which require reiteration . . . . .	125
CHAPTER V Recommendations/Observations in respect of which Government have furnished interim replies . . . . .	127
APPENDIX Summary of main Conclusions/Recommendations . . . . .	136

PARLIAMENTARY LIBRARY  
(Library of the Secretaries,  
Central Govt. Publications)  
Acc No R 374305  
Date ..... 1.11.72

**PUBLIC ACCOUNTS COMMITTEE**

(1972-73)

**CHAIRMAN**

Shri Era Sezhiyan

**MEMBERS**

2. Shri Bhagwat Jha Azad
3. Shri R. V. Bade
4. Shrimati Mukul Banerji
5. Shri Jyotirmoy Bosu
6. Shri K. G. Deshmukh
7. Shri Tayyab Husain
8. Shri Debendra Nath Mahata
9. Shri Mohammad Yusuf
10. Shri B. S. Murthy
11. Shri S. A. Muruganantham
12. Shri Ramsahai Pandey
13. Shri H. M. Patel
14. Shrimati Savitri Shyam
15. Shri Ram Chandra Vikal
16. Shri M. Anandam
17. Shri Golap Barbora
18. Shri Bipinpal Das
19. Shri P. S. Patil
20. Shri Kalyan Roy
21. Shri Swaisingh Sisodia
22. Shri Shyam Lal Yadav

**SECRETARIAT**

Shri Avtar Singh Rikhy—*Joint Secretary*

Shri B. B. Tewari—*Deputy Secretary*

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

## INTRODUCTION

I, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Fifty-third Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 11th Report (Fifth Lok Sabha) on Audit Report (Railways), 1970 and Appropriation Accounts (Railways), 1968-69.

2. On the 6th June, 1972 an 'Action Taken' Sub-Committee was appointed to scrutinise the replies from Government in pursuance of the recommendations made by the Committee in their earlier Reports. The Sub-Committee was constituted with the following Members:—

Shri B. S. Murthy—*Convener*

- |                          |   |                |
|--------------------------|---|----------------|
| 2. Shri Ramsahai Pandey  | } | <i>Members</i> |
| 3. Shri M. Anandam       |   |                |
| 4. Smt. Savitri Shyam    |   |                |
| 5. Shri H. M. Patel      |   |                |
| 6. Shri Shyam Lal Yadav  |   |                |
| 7. Shri Bhagwat Jha Azad |   |                |

3. The Action Taken Sub-Committee of the Public Accounts Committee (1972-73) considered and adopted this Report at their sitting held on the 18th October, 1972. The Report was finally adopted by the Public Accounts Committee on the 18th November, 1972.

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

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

ERA SEZHIAN,

NEW DELHI;

*Chairman,*

November, 23 1972.

*Public Accounts Committee.*

*Varahayana 3, 1894(5)*

## CHAPTER I

### REPORT

1.1. This Report of the Committee deals with action taken by Government on the recommendations contained in their 11th Report (Fifth Lok Sabha) on the Audit Report (Railways) 1970 and Appropriation Accounts (Railways), 1968-69, which was presented to the House on the 9th August, 1971. Action Taken Notes have been received from the Ministry of Railways (Railway Board) and other concerned Ministries/Departments in respect of all the 124 recommendations contained in the Report.

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

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

S. Nos. 1—3, 5—11, 13, 16—23, 29, 31—36, 38, 39, 41, 42, 44—46, 48—54, 57—63, 65—86, 88, 89, 91, 92, 94—99, 102—113, 115—122 and 124.

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

S. Nos. 12, 14, 24—27, 43, 90, 100-101.

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

S. Nos. 40 and 114.

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

S. Nos. 4, 15, 28, 30, 37, 47, 55—56, 64, 87, 93, 123.

1.3. **The Committee desire that in the case of recommendations in respect of which interim replies have been furnished, Government should forward the final replies expeditiously.**

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

**Financial Results—paragraphs 1.12 and 1.13 (S. Nos. 1 and 2)**

1.5. Commenting on the working results of the three Railways, namely, North Eastern, Northeast Frontier and Southern which showed deficits in 1968-69, the Committee had made the following observations:

“The Committee view with concern the disproportionate increase in the working expenses of Southern, North Eastern and Northeast Frontier Railways as compared to the increase in their gross receipts during 1968-69. The combined working expenses of these three Railways exceeded their gross receipts by Rs. 17.20 crores. This figure exceeds even the total increase in the Revenue expenditure on all Railways during 1968-69 by Rs. 0.63 crores. This calls for a special drive for effecting economies on these Railways.”

“The Committee observe that the difference in percentages of increase in the gross receipts and working expenses of all Railways in the 1968-69 over 1966-67 was not much. However, in the case of these three deficit Railways, the gap between the percentages of increase in working expenses and increase in gross receipts was very much pronounced. The Committee desire that the reasons for this widening gap should be studied with a view to taking remedial action and earning greater revenue on these Railways.”

1.6. In their reply dated 24th April, 1972 the Ministry of Railways (Railway Board) stated:—

“The Recommendations of the Committee have been noted by the Government and necessary instructions issued to the concerned Railways to analyse the causes for the widening gap between the working expenses and gross traffic receipts and to take the necessary remedial measures.”

1.7. The Committee note that necessary instructions have been issued to the concerned Railways to analyse the causes for the widening gap between their working expenses and gross traffic receipts and to take necessary remedial measures. The Committee would like that the results of the investigations made and the remedial measures taken be intimated within six months.

**Economy measures—paragraph 1.20 (S. No. 3)**

1.8. Referring to the need for greater economy in the working expenses of the Railways, the Committee had in paragraph 1.20 observed that—

“So far as the working expenses on the Railways are concerned there is a persistent tendency towards increase from year to year. To some extent, this is inevitable in the context of rising prices and wages. In the circumstances, Railways will have to make determined efforts not only to minimise waste but also to effect economies in their expenses. The Committee hope that the assured vigilance ‘now than anytime before’ about expenditure would result in substantial economies. As a mere 5 per cent cut in the working expenses could turn the deficit of Railways into a surplus, the Committee would like Government to make an all out effort to pull Railways out of the red.”

1.9. In this connection the Ministry of Railways (Railway Board) in their reply dated the 24th April, 1972 stated:

“The recommendation of the Committee has been very carefully considered by the Government. As the Committee are aware that:

- (i) Economy drive has been in existence on the Railways for a number of years resulting in the reduction of expenditure wherever feasible;
- (ii) the bulk of the Railways expenditure is performance oriented; since the Railways are being asked to improve performance and amenities, achievement of substantial economy in the major areas of expenditure is limited.

However, the Government is alive to the need for maximum economy in the Railways' working expenses. Continuous efforts are made to reduce the expenditure to the extent feasible. Some of the important measures in respect of (i) maintenance and repairs (ii) fuel and (iii) staff are listed in \*Appendix 'A'. Lately further instructions to effect maximum possible economy in working expenses in varying scales were issued to the General Managers of all Indian Railways. A copy of the Memorandum\*\* laying down these economy measures is enclosed for information of the Committee.”

\*See pp. 23-27.

\*\*See pp. 27-30.



1.10. The Committee do not agree with the view that the scope of achieving substantial economy in the major areas of expenditure is limited. They, however, note that an economy drive has been in existence on the Railways for a number of years and that instructions have also been recently issued to the General Managers of all Zonal Railways for effecting maximum possible economy in their working expenses. The Committee feel that what is important is not the measures suggested but the effectiveness of implementation of these measures in order that the expected economy may be achieved. They would, therefore, like that the results should be carefully assessed and expressed in quantitative terms so as to have a proper appreciation of the impact of the economy measures over a period of time.

**Restoration of unremunerative lines—paragraph 1.32 (S. No. 4)**

1.11. In paragraph 1.32, the Committee had made the following observations in regard to the implementation of the recommendations made by the High Power Committee on unremunerative branch lines:

“The Committee note that as a matter of policy there would be no closing of any of the existing unremunerative branch lines. The High Power Committee which went into the question of improving the working of such branch lines, so as to make them economically viable made certain recommendations which *inter alia* covered conversion of gauges and extension of lines. These would cost about Rs. 240 crores. The Committee were informed that the justification for additional investments on conversion-*cum*-extension had to be examined. The Committee would like the results of the examination to be intimated to them.”

1.12. In reply the Ministry of Railways (Railway Board) stated in their letter, dated the 21st February, 1972:

“As against the recommendation of the Uneconomic Branch Line Committee, 1969, to carry out 28 surveys for extension/conversion/restoration of branch lines, the Board have ordered 12 traffic surveys to be carried out by the Railways. So far reports of 5 surveys have been received. Examination of two survey reports has been completed which indicates that restoration of Gohana-Panipat link and extension of Burhan-Etah line to Kasganj are not financially viable. The results of the examination of the other survey reports will be intimated to the Committee in due course.”

1.13. Asked to expedite the final reply, the Railway Board informed the Committee in their subsequent note dated the 5th August, 1972 as follows:—

“Out of twelve surveys ordered by the Railway Board, reports of six surveys have so far been received. Examination of three survey reports has been completed which indicates that the projects mentioned below are not financially viable:—

1. Restoration of Gohana-Panipat Link.
2. Extension of Burhan-Etah line to Kasganj.
3. Conversion of Kurdwadi-Pandarpur from NG to BG.

The other three survey reports are still under examination of the Railway Board.

The remaining six surveys are still in progress.”

1.14. The Committee note that out of 12 surveys ordered by the Railway Board for extension/conversion/restoration of unremunerative branch lines, reports of only six surveys have so far been received and the remaining six surveys are still in progress. Further out of the six survey reports received examination of only three reports has been completed. The Committee desire that the survey work should be expedited and speedy action taken on reports already received.

**Failure of equalising beams, on Metre Gauge I. R. S. Coaches—Paragraph 2.68 (S. No. 31)**

1.15. Commenting on the derailment of coaches resulting from the failure of equalising beams, the Committee had in paragraph 2.68 observed :

“The Committee view with concern the derailment of coaches resulting from the failure of equalising beams as also the breakages of beams due to overcrowding on trains. These problems need to be looked into carefully. It was stated during evidence that certain modifications have been made in the design of the beams particularly in the swan neck section, to make it stronger. The Committee desire that the Railway Board should review in detail how the failure occurred in this vital section of the beam and take suitable remedial measures to safeguard against the recurrence of such defects.”

1.16. In reply the Ministry of Railways (Railway Board) stated in their note dated the 20th June, 1972:

"The various aspects of failure of equalising beams, the reasons for the failure and the action required to be taken were considered in the meeting of Indian Railways Chemists and Metallurgists Committee in 1968 and Railways advised of the appropriate action to be taken.

The design of the equalising beams as well as the material from which the equalising beams are required to be manufactured have been altered. Zonal Railways have also been advised of the periodicity and type of examination to be carried out on equalising beams in service. A design of safety strap that would be easy to manufacture, easy to maintain, and which would adequately support equalising beams, has been developed and adopted as a standard. With these measures already taken, there has been a marked improvement and there has been no cases of failure of equalising beams introduced in service since 1968. It is, therefore, considered that from the point of view of design, manufacture, inspection and maintenance, adequate remedial measures have been taken to avoid failures, in future.

This has been seen by Audit who have remarked as follows:—

"The Railway Board seem to feel that no further review as desired by PAC regarding the circumstances in which the failure in the Swan neck region of the equalising beam is called for and that the existing arrangements are satisfactory. It is, however, to be noted in this connection that there are two broad aspects to this case: (i) *The question of adequacy of design, specification for materials, etc.* Though no modifications were considered necessary earlier in 1964, later on in 1968 and thereafter changes have been introduced, (ii) *Detection of defects at the stage of initial inspection and during maintenance.* The shortcomings in this respect are clear from the fact that following a number of failures, the cracks in a large number of beams came to light and the replacement/repair of such beams had to be undertaken. It seems worthwhile, examining therefore, whether in this case and in general, any improvement in procedures is possible.

The fact that there have been no further failures of the beams in any of the Zonal Railways especially N.E. & N.F. Railways is being checked up."

#### **Further comments of the Railway Board**

Attention of the railways has again been drawn to the existing instructions and they have been asked to confirm that they are following the instructions strictly *vide* Board's letter No. 67/M(C)/142/31, dated 25th March, 1972.

All the Metre gauge Railways have been asked to advise whether there has been any case of failure of the modified beams introduced in service from 1968. South Central and Western Railways have stated that there has been no case of failure of the modified equalising beam. Replies from the other 4 Railways are awaited."

1.17. In a further note dated the 27th July, 1972, the Railway Board added:

"Further to the reply forwarded under this Office Memorandum No. 71-B(C)-PAC/V/11, dated 20th June, 1972, to the above recommendation, it is stated that audit have furnished the following further comments in regard to failure of M.G. equalising beams on railways since 1968.

*N.F. Railway:* The Chief Auditor, N. F. Railway, has informed us that record to show the dates of introduction in service of equalising beams since 1968 is not forthcoming from the Railway Administration. In the circumstances it has not been possible to verify that there has been no case of failure of equalising beams on N.F. Railway.

*Southern Railway:* The Southern Railway have advised the Chief Auditor of the Southern Railway that out of 137 equalising beams found defective during the period from 1st January, 1968 to 31st December, 1971 in one case of failure that took place during the quarter ending 31st December, 1971, the beam was of new design.

As regards other Railways, we have no further remarks to offer."

As stated in the concluding portion of the earlier reply, the M.G. Railways have been addressed by the Board. Reply received from the Northern Railway indicates that there has been no case of failure of modified equalising beams introduced in service since 1968.

Southern Railway have stated that during the period from 1st January, 1968 to 31st December, 1971, 137 beams were found defective. In only one case, the equalising beam was found to be of the revised design. This beam was found to have a hair breadth seam running across the side of the beam. This modified equalising beam did not get involved in failure but was examined and rejected in the depot."

1.18. The Committee note that the design of the equalising beams as well as the material from which the equalising beams are required to be manufactured were altered in 1968. It is however, learnt from the information furnished to the Committee that in one case of failure of equalising

beam that took place on Southern Railway during the quarter ending 31st December, 1971, the beam was of new design. The Committee, therefore, recommend that the question of adequacy of design, specification for materials, etc., may be gone into carefully once again by the Research, Designs and Standards Organisation of Railways with a view to making the beam safe.

**Injudicious purchase of M.S. Hex Nuts resulting in overstock—paragraphs 2.110—2.112 (S. Nos. 35—37)**

1.19. Referring to a case of excessive provisioning of M.S. Hex Nuts on the Central Railway during 1961-62 the Committee had made the following observations in paragraphs 2.110 to 2.112:

“The Committee are surprised that Central Railway Administration raised the imprest of M. S. Hex Nuts 1½” from 56.9 tonnes in 1961 to about four times in August-September, 1962 without co-relating it with past consumption and future curtailment of the requirement resulting from the modification adopted in 1960 in the design of the brake beams and brake blocks. Had the Central Railway taken into consideration the Railway Board’s directive issued only a year earlier regarding the adoption of the change in design involving fastening of the brake beams and brake blocks by cotters instead of nuts and the low rate of consumption of the nuts over the previous three years, a realistic assessment of the requirement of the nuts would have been made and the imprest would have been reduced rather than enhanced. The Committee find it a little difficult to understand how the Railway Administration overlooked these two very important factors. Evidently the provision of the Nuts was done mechanically and injudiciously without taking into consideration all the relevant aspects of the matter.”

“The Committee need hardly stress the importance of correct provisioning of stores in the interest of economy. They hope that such instances of over-provisioning of stores will not be repeated in future.”

“The Committee were given to understand that the excess stock to the extent of 2,30,000 kilogrammes was disposed of by inviting tenders. They would like to be informed about the loss, if any, suffered on this account. The Committee would also like to be apprised of the final outcome of the compensation claim of a firm stated to be under consideration.”

1.20. In reply dated the 10th April, 1972, the Ministry of Railways (Railway Board) stated:

"The observations of the Committee are noted, and the same have also been brought to the notice of the Railway Administration."

The Sale of 2,32,000 Kgs., was arranged in April-June, 1970 at the rate of Rs. 1,156 per tonne. A net loss of Rs. 1,67,968 was incurred in the sale as per particulars given below:—

	Rs.
(a) Total sale value realised	2,68,192
(b) Book rate of 2,32,000 kgs. at Rs. 1.88 per kg.	4,36,160
(c) Net loss incurred (b)—(a)	1,67,968

As regards the final outcome of the compensation claim, the D.G.S. & D. has advised the following position:

"The firm has not claimed any compensation so far, excepting that they have written one letter wherein they have stated that a sum of Rs. 1,75,000 is blocked due to suspension of supplies order by the indentor. The firm's letter is dated 24th October, 1966 and afterwards they are silent over the issue. The case is, however, still to be finalised."

1.21. The Committee note that a net loss of Rs. 1,67,968 has been incurred on the sale of excess stock of M.S. Hex Nuts 1½" acquired as a result of over-provisioning by the Central Railway Administration. The Committee recommend that it may be considered whether responsibility for this loss can be fixed.

**Loss due to short receipt of cement from the suppliers—paragraph 2.125 (S. No. 38).**

1.22. In paragraph 2.125, the Committee made the following observations regarding the issue of unqualified railway receipts in spite of the complaints made about heavy shortages in cement received by engineering subordinates:

"The Committee are distressed to observe that even though complaints were being received from the engineering subordinates since July, 1965, about heavy shortage of cement received by them, no action was taken to revise the procedure regarding issue of unqualified Railway receipts till November, 1968. The Committee are not able to appreciate how Railway assumed that D.G.S. & D. were exercising checks on the weight of cement bags, without making any specific enquiry. In any

case complaints regarding shortage which had been coming in since 1965 should have been checked up with D.G.S. & D. to make sure if random checking of the cement bags was being done by their inspectors in the factories."

1.23. In reply dated the 7th February, 1972, the Ministry of Railways (Railway Board) stated:

"The observations of the Committee are noted. The same have also been brought to the notice of the Railway Administration *vide* Board's letter No. 71-B(C)-PAC/V/11(38-40), dated 23rd September, 1971."

1.24. In the action taken note furnished by the Railway Board it has not been indicated whether any investigation was made to find out as to why unqualified Railway Receipts were continued to be issued till November, 1968 even though complaints about heavy shortage of cement were being received since July, 1965. The Committee would like this to be enquired into with a view to fixing responsibility.

1.25. With a view to obviating cases of under filling of cement bags by the manufacturers, the Committee had in paragraph 2.127 observed,

"The Committee also feel that D.G.S. & D. on their part should take steps for exercising at least random quantitative checks on cement bags at the inspection stage. It may not be possible for all Government departments to have arrangements for weighment of individual cement bags on receipt. In the circumstances it will be for D.G.S. & D. to ensure that besides quality, the quantity of cement supplied to Government departments is also suitably checked."

1.26. In reply the Ministry of Supply stated in their note received in July 1972:—

"In the case of cement, inspection is not carried out in respect of each consignment. Quality control is exercised only by testing samples. It is neither the responsibility of an inspector, nor is it feasible for him to exercise any random quantity checks on the cement bags. In the case of stores, including cement, the responsibility for quantitative checks rests with the consignee, who alone is in a position to exercise this check adequately."

1.27. Under the extant rules it may not be the responsibility of the D.G.S. & D. inspector to exercise a quantitative check on the cement bags apart from the qualitative check exercised. But keeping in view the fact that all Government Departments may not have suitable arrangements

for weighment of individual cement bags on receipt, it is but appropriate that there should be a machinery to ensure at least a test weighment of cement bags. The Committee would therefore recommend that D.G.S. & D. should, as an experimental measure, entrust the inspectors with this work also in view of complaints of shortages.

**Utilisation of the installed capacity of the Steel Foundry at Chittaranjan—  
Paragraphs 3.57 and 3.58 (S. Nos. 55-56)**

1.28. In paragraphs 3.57 and 3.58 the Committee had made the following observations regarding the utilisation of the installed capacity at Chittaranjan Steel Foundry:

"The Committee would like the Railway Board to make a thorough enquiry as to why the capacity of the manganese steel crossings section as also the overall capacity of the Steel Foundry are not being fully utilised and have not reached the optimum stage in production and to initiate remedial measures."

"The Committee would also recommend that sustained efforts should be made to bring down the present rate of rejections of crossings (over 25 per cent) to within the normal rejection rate of 10 to 15 per cent."

1.29. In reply the Ministry of Railways (Railway Board) stated in their note dated the 10th April, 1972:

"The matter is under detailed examination and a further communication will follow."

1.30. The Committee find that the question regarding utilisation of the available capacity in the manganese steel crossings section as also the overall capacity of the Steel Foundry at Chittaranjan is still under detailed examination. The Committee would like to impress that the examination should be expeditiously completed so that the installed capacity is put to use. They would also like to be informed about the measures taken to reduce the rate of rejections of crossing.

**Loss due to delay in planning and execution of a work—Paragraphs 5.57 to 5.59 (S. Nos. 81-83)**

1.31. Referring to the inordinate delay in the planning and execution of the scheme to replace the system of mechanical operation of points and signals with Route Relay Inter-locking at Delhi main station, the Committee had in paragraphs 5.57 to 5.59 made the following observations:

"The Committee regret to observe that the work planned in 1957-58 to be executed at a cost of Rs. 35.38 lakhs was completed after 10 years by incurring expenditure which was more



than double the amount initially estimated. Besides the increased cost, the Railway Administration continued to incur an expenditure of Rs. 94,000 per year towards the cost of staff which was expected to be reduced after commissioning of the works."

"From the information made available to the Committee, it is seen that there was inordinate delay at every stage of planning and execution of the work. It took the Administration four years before the abstract estimate for the work was sanctioned. After the tenders had been accepted, the Administration took 6 months in placing the contract. Again although the contract was awarded in April, 1962 the Contractor could not commence the work before August, 1964 due to non-finalisation of the plan. Even this plan was modified after two months and the final plan was given to the contractor only in May, 1965. The Administration took five months more in determining the additional requirements of material consequent on the revision of the plan and another 9 months in executing the new agreement with the contractor."

"The Committee feel that if the Project to replace the system of mechanical operation of points and signals with Route Relay Inter-locking at Delhi main station had been properly conceived and planned, at least some of the changes subsequently made could have been anticipated and provided for reducing thereby the inordinate delay in the execution of the work and the expenditure on staff."

1.32. In reply the Ministry of Railways (Railway Board) stated in their note dated the 10th April, 1972:

"The observations of the Committee are noted. The chronological summary of the main events already furnished to the Committee indicate broadly the time taken for each aspect of the execution of the work. The Railway Board would submit that this work was the first of its kind on the Northern Railway and the Railway had to ensure that the work as executed would take into account the changes in yard layout likely to become necessary in the near future so that alterations to the route relay inter-locking immediately after commissioning could be avoided. The consequent delay in the progress of the work has, however, been inordinate and efforts could have been made at higher levels of the Northern Railway Administration to compress the total period of delay by bringing together

concerned departments for discussion and finalisation of the outstanding technical points. This aspect has been specifically brought to the notice of the Northern Railway as well as other Railways, with a view to ensure that major projects before they are taken up are properly conceived and planned so that subsequent changes and resultant delays in the execution of the work are avoided."

**1.33. The Committee desire that Railway Board should explore whether individual responsibility can be fixed for the delay at various stages and take suitable action against those found guilty.**

**Provision of excessive facilities for handling traffic from Neyveli Lignite Project—Paragraph 6.54 (S. No. 96)**

1.34. Commenting on the unrealistic assessment made by the Railway Administration regarding additional traffic expected to originate consequent on the setting up of Neyveli Lignite Project, the Committee had in paragraph 6.54 made the following observations about the production estimates given by the project authorities:

"The Project authorities are equally at fault in-as-much as they exaggerated their production estimates. By any standard, the figures given out by the Project authorities were too optimistic and far from being realistic and reasonable."

1.35. In reply the Ministry of Steel and Mines (Department of Mines) stated in their note dated the 20th June, 1972:—

"The estimates of wagon requirements was drawn up by the Corporation on the basis of the available data viz.—contracted figures regarding the rated capacity of the respective Plant and after giving allowance for transport by road at about 25 per

cent of the production estimates. The following table gives the detailed break-up of the figures:

Name of Material	Rated Capacity of Pdn. (daily tonnes).	Quantity assumed for movement by rail	Estimate of Wagon requirement	
			Average (daily)	Maximum daily loading according to seasonal fluctuations.
(1)	(2)	(3)	(4)	(5)
1. Fly Ash . . . . .	240 to 320	about 75 % of Col. 2	15	25
2. Urea . . . . .	500	75% of Col. 2	36	70
3. Loco:				
Bagged . . . . .			55	90
Loose . . . . .	1210	75% of Col. 2	55	90
Charlines . . . . .	430		30	45
4. Liquid Products . . . . .	2017		13	19
5. Clay . . . . .			1	2
			205	341

At the time the estimate was drawn up, we had no reason to presume the production in the plants would not reach the rated output. At the same time, it was duly recognised that the time limit of 6 months set out by the Railway Board for the building up of the traffic to the estimated level was too short and that the project could not be expected to reach full production stage in less than 2 years. Nevertheless the marshalling yard facilities had to be built up taking into account the requirements at the full production stage.

It would, therefore, be observed that the production estimates of the Corporation were based on the contract figures only and as these estimates were drawn up, as a forward planning for purpose of providing marshalling yard facilities at the time the plants were being erected, the Corporation rightly relied upon the rated capacity of the Plant. In the circumstances, the figures given by this project may not be considered too optimistic and unreasonable or exaggerated with reference to the facts then known and the reasonable expectations in that context. There has been a drastic fall in the requirement of wagons not only because of lower production in the various plants but also to some extent because the customers are taking a larger proportion of our products by road instead of by rail in view of

continuous uncertainty in the matter of supply of wagons, pilferage enroute, delay in movement and route restrictions for very long periods."

1.36. The Committee find that apart from the lower production in Neyveli Lignite Corporation which resulted in lesser demand for railway wagons, there has been drastic fall in the requirement of wagons partly because "the customers are taking a larger proportion of products by road instead of by rail in view of continuous uncertainty in the matter of supply of wagons, pilferage enroute, delay in movement and route restrictions for very long periods." This aspect needs to be examined. The Committee hope that remedial steps will be taken by the Railway Administration concerned to bring about necessary improvement in the services rendered by them so as not to allow diversion of traffic to road.

**Avoidable expenditure on the engagement of water treatment khalasis—  
Paragraphs 9.11 and 9.12 (S. Nos. 113-114)**

1.37. In paragraphs 9.11 and 9.12 the Committee commented on the expenditure incurred by the North Eastern Railway in connection with the creation of a separate field organisation of water treatment khalasis. In this connection, the Committee had observed:

*Para 9.11.* "The Committee are not satisfied with the explanation given by the Railway Administration that caustic embrittlement of bodies in 1964 was so widespread that the problem had to be tackled on a war footing by setting up a field organisation of water treatment Khalasis and that the Khalasis were withdrawn after the position had stabilised. It is well-known that chemical treatment is a preventive measure to obviate caustic embrittlement and if this treatment had been introduced as a regular measure and applied at all the watering stations round the year from 1961 itself by entrusting the work to existing traffic staff and fitting dosing gears extensively, the crisis would not have developed in 1964."

*Para 9.12.* "Moreover, the treatment of water is a regular and continuous measure and each time the water is fed into the engine it has to be treated. Therefore the work which is now being handled by the traffic staff could have been done by the same staff from the very beginning. Obviously the separate field organisation of Khalasis was not created to repair the damaged boilers so that they could be withdrawn after the position had stabilised.' They were required to treat water fed into engines and that work still continues. If they can be dispensed with now, it should have been feasible to do without them in the beginning also."

1.38. In their reply dated the 7th February, 1972 the Ministry of Railway (Railway Board) stated:

"The observations of the Committee are noted. It is true that the treatment of water fed to the steam locomotives is a continuous process and the process involved is only adding some chemical to the water. While putting up a justification for the creation of special organisation, the Chief Mechanical Engineer, N.E., Railway, apparently felt that the existing arrangement of treating water at certain nominated stations was not satisfactory and the existing conventional and other specialised duties of staff would not permit their attending to the water treatment also in an efficient manner. It was his intention that the fitting of automatic gears to locomotive tenders should be processed quickly and with the fitting of dozing gears, the water treatment khalasis could be progressively withdrawn. It will also be noted that by the time the staff were withdrawn in April, 1969, the number of locomotives fitted with dozing gears were progressively increasing and by the end of 1969, 269 locomotives were fitted with the dozing gears. Viewed in the light of the serious situation which developed in 1964, it would perhaps be appreciated that the best solution that was thought of for overcoming the sudden damage to a large number of locomotive boilers was by creating a special temporary organisation which would be under the control of the Mechanical Department for ensuring addition of the chemical, without fail, at all the watering stations. The idea of utilizing one department staff for another department's duties emanated as a result of Board's instructions issued in April, 1967, in the light of the need for economy in the growth of the strength of staff, and it was possible for the Administration to enforce this directive in stages by winding up the special organisation."

1.39. The Committee are still unable to resist the feeling that there was no justification for creating a separate organisation of Khalasis to treat water. They hope the Railway Administration will note this for future guidance.

**Implementation of the recommendations of Railway Accidents Enquiry Committee, 1968—Paragraph 9.57 (S. No. 122)**

1.40. In regard to the implementation of the recommendations of the Railway Accidents Enquiry Committee, 1968 the Committee had made the following observation in paragraph 9.57:

"The Committee find that there are still a large number of recommendations of the Railway Accidents Enquiry Committee, 1968, which are awaiting implementation. They should be processed expeditiously and implemented without further loss of time."

1.41. In reply the Ministry of Railway (Railway Board) stated in their note dated the 7th February, 1972:

"In all there are 729 observations and recommendations contained in both the parts of the report of the Railway Accidents Enquiry Committee. Of these, 190 are in the nature of observations and 539 in the nature of recommendations. Of the recommendations, 382 (including 74 which are in conformity with the policy or practice in vogue) have been accepted and another 29 partially accepted. 63 recommendations have not been accepted. The remaining 65 recommendations are still under examination and are by their nature such as require detailed examination of their implications either by the Ministry of Railways themselves or in consultation with other authorities. It would take some time before the Government's views on these recommendations are finalised. Further action for early finalisation of views on these recommendations is being pursued.

Of the 411 accepted recommendations (including those partially accepted), 250 have since been implemented. On the remaining (161) items action along the lines of views of the Ministry of Railways (Railway Board) has already been initiated and the implementation of these recommendations is being closely watched."

1.42. The Committee note that of the 411 recommendations of the Railway Accidents Enquiry Committee which were accepted by the Railway Board only 250 have so far been implemented. The Committee desire that implementation of the remaining recommendations of the Railway Enquiry Committee should be expedited.

Review of cases where responsibility for various lapses has been fixed on retired personnel—paragraphs 2.143, 5.98, 8.9 and 8.22 (S. Nos. 43, 90, 104 and 109).

1.43. (i) In paragraph 2.143, the Committee had desired that responsibility should be fixed and suitable action taken against those found responsible for various lapses in connection with the acceptance of a consignment of defective printing paper. In this behalf the Ministry of Railways (Railway Board) stated in their note dated the 9th June, 1972:

"The matter has been examined in detail in consultation with the Northern Railway. The various lapses in this case are (i) initial acceptance of the paper when visual inspection indicated defects and when the test report of the Inspecting Officer was

awaited. The result of such premature acceptance, was taking over of the paper into stock and its part consumption which was detrimental to Railway's claim against the supplier. (ii) Not allowing the firm's representative to inspect the paper on or about 11th September, 1964 when he came within 15 days of the test report from the Dy. Controller of Inspection, Calcutta. (iii) Unreasonable delay in informing the Deputy Controller of Inspection about all the defects in the paper and also superficial nature of the initial inspection on 4-8-64 with the result that the major defect in the supplies was not reported to the inspecting officer or to the ordering authority in time.

The Assistant Superintendent (Printing and Stationery), Shakurbasti has been held responsible for these failures. The officer concerned, however, retired on 1-10-1966 and his settlement dues have been paid long ago and no action can be taken at this stage."

1.44. (ii) In another case examined by the Committee it was noticed that South Eastern Railway failed to appoint an arbitrator well in time and as a result they had to incur an extra expenditure of Rs. 1.13 lakhs. The Committee had in paragraph 5.98 observed:

"The Committee also regret to observe that due to their failure first to appoint an arbitrator when the contractor sought arbitration in November, 1963 and further to submit a panel of arbitrators within the stipulated time, the Railway Administration lost a valuable opportunity. The Committee note that Railways not only forfeited their claim against the contractor but were in fact obliged to pay a big sum to the contractor as per award. The Committee would like Railways to investigate the matter fully and fix responsibility for delay and lack of care in safeguarding Railways' interests. The Railways should also take remedial measures to ensure that such lapses do not recur."

1.45. In reply the Ministry of Railways (Railway Board) stated in their note dated the 16th March, 1972:—

"As desired, the matter has been further investigated in detail with a view to fixing responsibility for delay and failure to safeguard railway's interests. The position is explained below.

**Delay in dealing with the contractor's request for referring the matter to arbitration.**

It appears that on receipt of the contractor's request, the Chief Engineer (Construction) instructed the Divisional Engineer to collect full facts of the case and submit papers before the end of November 1963. Although the case was put up by the Section concerned, it was not properly processed and was also delayed by the P.A. to the Engineer-in-Chief (C), and the D.E.N. (Genl.) Bilaspur. Shri R. D. Dubey who held the above posts consecutively at the material time has been held responsible for the delay and lack of care in safeguarding the railway's interests. The said officer, however, retired from service in June 1967 on superannuation."

1.46. (iii) Again while reviewing a case of loss of revenue due to undercharges the Committee had in paragraph 8.9 made the following recommendation:

"The Committee regret to note that there was a failure on the part of N.E. Railway in not following the orders of the I.R.C.A / Railway Board properly. This needs to be looked into with a view to fix responsibility."

1.47. In reply the Ministry of Railways (Railway Board) stated in their note dated the 14th August, 1972:—

"The Assistant Mechanical Engineer (Drawing) and Chief Mechanical Draftsman (C&W) who have been held responsible for lack of judgment have since retired from service in 1969 and 1965 respectively and therefore no action can be taken against them."

1.48. (iv) In yet another case where the Administration suffered a loss of Rs. 51 thousand due to delay in notification of the revised distance between two stations consequent on realignment of line, the Committee had observed:

"The Committee would like to be apprised of the action taken against the staff found responsible for delay in the notification of the revised distance between Soron and Kasganj stations consequent on realignment of the line."

1.49. In this connection the Ministry of Railway (Railway Board) stated in their note dated the 17th April, 1972:

"The question of responsibility of the staff of the Civil Engineering and Commercial Departments for delay in the notification of the revised distance has been examined. So far as the



Civil Engineering Department is concerned, it has been found that although the Dy. Chief Engineer (Works) passed orders for adopting the increased distance, prompt action was not taken by the District Engineer/Metric, who was *prima facie* responsible for delay from 26th August 1966 to 13th September 1966 and again from 14th September 1966 to 14th October, 1966. The District Engineer/Metric has however retired on 31st May 1968 and it would not be possible to initiate any action against him.

In regard to the staff for the Commercial Department the following staff has been held responsible:

- (i) Head Clerk/Rates Publication Section.
- (ii) Junior Clerk to whom the work relating to the notification was allotted, and
- (iii) Office Superintendent/Rates Section.

The Head Clerk concerned had retired on 23rd April 1969 and as such no action against him is possible. The Office Suptd/Rates section has been punished with withholding of promotion to higher post for one year and the junior clerk working as senior clerk since 6th January 1967 has been punished with withholding of increment temporarily for 6 months."

**1.50. The Committee find that in all the four cases referred to in the foregoing paragraphs, responsibility for various lapses has been fixed but all the persons found responsible are stated to have retired and as such no further action could be taken. The Committee desire that the Railway Board should review all these cases to see whether the retired persons only were responsible for the lapses and no others.**

## **CHAPTER II**

### **RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT**

#### **Recommendation**

The Committee view with concern the disproportionate increase in the working expenses of Southern, North Eastern and Northeast Frontier Railways as compared to the increase in their gross receipts during 1968-69. The combined working expenses of these three Railways exceeded their gross receipts by Rs. 17.20 crores. This figure exceeds even the total increase in the Revenue expenditure on all Railways during 1968-69 by Rs. 0.63 crores. This call for a special drive for effecting economies on these Railways.

The Committee observe that the difference in percentage of increase in the gross receipts and working expenses of all Railways in the 1968-69 over 1966-67 was not much. However, in the case of these three deficit Railways, the gap between the percentages of increase in working expenses and increase in gross receipts was very much pronounced. The Committee desire that the reasons for this widening gap should be studied with a view to taking remedial action and earning greater revenue on these Railways.

[S. Nos. 1 & 2 of Appendix IX—Paras 1.12 & 1.13 of the 11th Report of the P.A.C. (5th Lok Sabha).]

#### **Action Taken**

The Recommendations of the Committee have been noted by the Government and necessary instructions issued to the concerned Railways to analyse the causes for the widening gap between the working expenses and gross traffic receipts and to the necessary remedial measures.

#### **Recommendation**

The Committee find that so far as the working expenses on the Railways are concerned there is a persistent tendency towards increase from year to year. To some extent, this is inevitable in the context of rising prices and wages. In the circumstances, Railways will have to make determined efforts not only to minimise waste but also to effect economies in their expenses. The Committee hope that the assured

vigilance "now than anytime before" about expenditure would result in substantial economies. As a mere 5 per cent cut in the working expenses could turn the deficit of Railways into a Surplus, the Committee would like Government to make an all out effort to pull Railways out of the red.

[S. No. 3 of Appendix IX—Para 1.20 of the 11th Report of the P.A.C.  
(5th Lok Sabha).]

### Action Taken

The recommendation of the Committee has been very carefully considered by the Government. As the Committee are aware that;

- (i) Economy Drive has been in existence on the Railways for a number of years resulting in the reduction of expenditure wherever feasible.
- (ii) The bulk of the Railways expenditure is performance oriented since the railways are being asked to improve performance and amenities, achievement of substantial economy in the major areas of expenditure is limited.

However, the Government is alive to the need for maximum economy in the railway's working expenses. Continuous efforts are made to reduce the expenditure to the extent feasible. Some of the important measures in respect of (i) maintenance and repairs, (ii) fuel, and (iii) staff are listed in Appendix 'A'. Lately further instructions to effect maximum possible economy in working expenses in varying scales were issued to the General Managers of all Indian Railways. A copy of the Memorandum laying down these economy measures is enclosed for information of the Committee.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11  
dated the 24. April, 1972/4 Vaisakha, 1894 (Saka).]

## APPENDIX 'A'

*Details of economy measures in regard to (i) Maintenance and repairs; (ii) Fuel; and (iii) Staff.*

Some of the measures to bring down working expenses under each of the main heads mentioned in the above question are given below:

### I. MAINTENANCE AND REPAIRS

#### (a) Maintenance of track

(i) Directed maintenance of track has been introduced on selected sections and has shown encouraging results by way of better track standards and reduced maintenance costs.

The conventional system of track maintenance by better packing is based on the concept of attending to the ballast under each and every sleeper, according to a fixed schedule. The concept of 'Directed Maintenance' is a departure in that maintenance efforts are directed specifically to sections identified carefully as requiring attention, instead of to all sections on a flat schedule.

(ii) The 'Measured Shovel Packing' method of maintaining the track has been found suitable for wooden sleepers and is being gradually introduced on all sections where this method is feasible.

Measured Shovel Packing is based on the principle of picking up the track, which is settled under traffic, back to its normal position by inserting pre-determined quantities of stone chips under each sleeper. This method has been found superior to manual packing as regards output and quality. The fatigue of the gangmen is also less. All this has resulted in track of improved riding quality and less expenditure on maintenance.

(iii) Use of long welded rails, heavier rail sections and concrete sleepers has been undertaken for improving the track structure on important lines and thereby achieving greater life and reduced maintenance cost.

#### (b) Rolling Stock

(i) The drive for improving the productivity in the workshops started with setting up of Production Control Organisations in all major workshops the function of these organisations being to scientifically analyse the resources available and to eliminate unnecessary work, with a view to maximising output.

The system of Payment by Results has also been introduced in all major workshops so as to motivate workers to produce more without undue effort, and be compensated for the increased output through payment of incentive bonus. The efforts directed towards increased productivity have met with success and the outturn has increased though the manpower in workshops has reduced.

(ii) Among other measures undertaken to reduce expenses in mechanical and transportation workshops are:

reclamation of components and increased utilisation of scrap so as to reduce the cost of repairs;

use of alternative material in place of non-ferrous components/fittings to reduce costs, and requirements of foreign exchange; and

more intensive utilisation of machinery and plant, if required by introduction of additional shifts where feasible.

(iii) Arising from recent reviews in Board's office of locomotive requirements of each railway, the following overaged locomotives were withdrawn during 1969-70 and 1970-71:—

	1969-70	1970-71	Total
B.G. . . . .	245	270	515
M.G. . . . .	156	108	264

The withdrawal of these overaged locomotives has resulted in a reduction of the cost of maintenance and repairs.

### (c) Electric Traction

Electrification of several important railway lines with high traffic density has been taken on hand and more schemes to be taken up in IV plan are under examination.

For the same amount of transportation output, the working expenses can be brought down considerably, by electric traction.

**(d) General electric services and train lighting.**

Considerable saving in repairs and maintenance cost has been achieved by the following:

Changeover from steam to electric pumps;

Changeover from diesel to electric pumps;

Changeover from railway's generation to purchase of power from supply authorities;

Adoption of fluorescent and HPMV lamps instead of incandescent lamps in street lighting;

Adoption of 1000W HPMV lamps for yard lighting; and

Switching off of stand by transformers at traction sub-stations.

**(e) General**

Considerable reduction in working expenses has been achieved by the introduction of work study and operational research into various aspects of railway working and repairs and maintenance work.

**II. FUEL**

Fuel constitutes one of the largest single item of expenditure on the Indian Railways. During 1969-70, the railways consumed 16.1 million tonnes of coal and 541 million litres of HSD oil costing over Rs. 153 crores. Railways are fully alive to the need for maximum economy in the consumption of coal and diesel oil.

2. Fuel economy has been engaging the attention of the railways for a long time and from time to time drives to effect saving in consumption of fuel have been launched on the Railways.

3. A full fledged Fuel Control Organisation has been set up on the railways to undertake the fuel economy work in each zonal Railway. Fuel Inspectors attached to this organisation travel on the locos to impart training to drivers and fireman on enginemanship with special reference to fuel economy. They also carry out trials to fix rations of coal and diesel oil for each trip. The actual consumption is compared with the ration to check if any driver has exceeded the ration. Suitable action is taken against the driver exceeding rations repeatedly. The maintenance of locos is specially watched; factors contributing to increased fuel consumption such as drop in load etc., are pinpointed with a view to controlling them.

4. A Loco Coal Inspection Organisation is set up under the Chief Mining Adviser, Railway Board at Dhanbad to exercise checks on the quality and size of coal loaded to the railways.

5. Drivers and firemen who have effected maximum saving in coal consumption are given cash awards and merit certificates.

6. Trials and experiments are being carried out by the Research Designs and standards Organisation (RDSO) to improve the design features of steam locos and to effect reduction in coal consumption.

7. Concerted efforts have been made to reduce pilferage and theft of coal in transit and in destination sheds.

8. A vigorous drive for saving coal and diesel oil has been launched on railways with effect from 1st May, 1970. In the course of the drive particular attention is being paid to all aspects which have a bearing on coal and diesel oil consumption and motivate staff for fuel economy through publicity drives.

9. The Railways send a report on the fuel performance to the Board's Office which is reviewed in the Directors' Statistical Meeting every month. Where the performance is not upto the mark, the railways are asked to furnish reasons therefor which are analysed in detail and remedial measures suggested to effect economy in fuel consumption.

10. Fuel economy is continuous process and concerted efforts would continue to be made to achieve saving in consumption of coal and diesel oil.

### III. STAFF

(a) A ban has been imposed on the creation of posts and recruitment of staff for administrative offices and relaxation is permitted by the Railway Board only in special cases, where unavoidable.

(b) The Efficiency Bureau makes an annual study of the trends of staff strength on zonal railways, and based thereon restrictions are imposed on the creation of additional posts even for maintenance and operational purposes in departments where scope for economy seems to exist.

(c) Instructions are in force that when one asset or service is replaced by an asset or service of a different type, surrender of all posts connected with the asset or service replaced should be taken into account while creating the new asset or service. This will also apply where there is a change in staff strength due to a change in system of working.

(d) Detailed instructions are in force to ensure that a close watch is kept on the strength of surplus staff on railways by correlating this at regular intervals with the vacancies elsewhere, so as to keep the surplus strength to the minimum.

(e) Instructions have been in force enjoining on Railways to exercise the utmost care in sanctioning posts both gazetted and non-gazetted. In 1970, the powers of the General Managers/Chief Administrative Officers to create gazetted posts chargeable to Revenue were withdrawn as a temporary measure and even in regard to work charged posts the Railways were advised to keep the number and category to the minimum consistent with the requirement of the sanctioned works. In June, 1971, the Board's intention to severely restrict creation of posts in the gazetted category chargeable to Ordinary Revenue was reiterated.

(f) As a result of reviews carried out by Efficiency Bureau in regard to strength of staff on Mobile Catering Units, Public Relations Organisations on Railways and Gorakhpur Chupra CTC section of N.E. Railway, a number of posts were surrendered. Similarly the introduction of 'one engine only' system of train working on certain sections and the reclassification of stations on certain other sections has resulted in surrender of posts and consequent economies on staff account.

(g) Railways have been instructed to exercise restraint and take steps to curtail expenditure on travelling allowance.

#### MEMORANDUM

#### *Measure to be taken for effecting economy both in Plan and Non-Plan Expenditure on Railways*

After careful consideration the following proposals which are by no means exhaustive have been drawn up to effect economies in the Railways. It is necessary that these measures/suggestions are implemented to the fullest extent and with all possible speed.

#### ECONOMY MEASURES PROPOSED

##### PLAN EXPENDITURE

(i) **Open Line Works Revenue.**—A 20 per cent cut should be imposed on the sanctioned allotments for these works as was done last year. New Works under OLWR (costing between one thousand and upto 3 lakhs) excluding staff quarters and staff amenities should be banned. In case any essential and urgent works are required to be carried out on a particular Railway, the G.M. concerned should come up and obtain Board's specific prior approval.



(ii) **Out-of-turn works**.—No out-of-turn works costing within Rs. 20 lakhs will be permitted unless supported by very strong justification by the Railway.

(iii) **Works in progress**.—Substantial economy should be possible by redefining/reducing the scope of works, wherever it is possible. Scrutiny of Plan works to this end is already engaging the attention of the Board. Suitable instructions will be issued in this regard in due course. Meanwhile the General Managers should on their own review the works in their Zones in order to determine the possibility of deferring such works as will not affect the railways long term-planning or short-term targets of performance. They should also scrutinize schemes to shed expenditure on items which do not constitute the hard-core of projects, e.g., buildings equipment etc. The results of such an examination may be communicated to the Board at an early date.

#### NON-PLAN EXPENDITURE

(i) **Contingencies**.—Provision made for contingencies and entertainment in the Budget should be reduced by imposing an *ad-hoc* cut of 5 per cent. There should be an absolute ban on purchase of new items of decoration and such other items.

(ii) **Furniture**.—The purchase of new furniture should be sealed off except in the case of new organisations like MTP, which will have to observe austerity standards for procurement of their requirements. The existing furniture and equipment should be kept going, by undertaking repairs in time.

(iii) **Air-conditions and desertcoolers**.—Provision made for replacement of air-conditioners/desertcoolers/water coolers should be strictly scrutinised to cut down expenditure.

(iv) **Travelling Allowance**.—A stricter control should be exercised on the payment of travelling allowance. While doing so, it should be ensured that inspections on which, to a large extent, efficient management of Railways depends, are not discouraged. To avoid the need for repeated and infructuous journeys in or about the same area, regulatory instructions should be issued to the Controlling Officers to see that inspectors are effective, intensive, and cover maximum area. In respect of staff who do not have to do inspections, their travelling both within and outside the jurisdiction of the Railways should be severely restricted. The journeys for attending conferences, seminars, *ad-hoc* meetings in the Board's Office or at Zonal Railway Headquarters, Divisional headquarters etc., should be drastically curtailed. The Controlling Officers or the officers who are their own Controlling Officers should be enjoined to scrutinize T. A. journals closely and see that inspections conducted by railway

officers at all levels are productive and purposeful. The staff accompanying inspections should be reduced to the inescapable minimum. Air journeys must not be undertaken except in emergencies. Our aim should be to effect a 10 per cent saving under Travelling allowances.

(v) **Posts remaining vacant for more than six months.**—Posts remaining unfilled for more than six months should not be filled except in respect of staff connected with Operation of trains and safety measures. However, if any action has already been initiated and the vacancies have been advertised, the process may be completed and the vacancies filled in such cases.

(vi) **Deputation abroad.**—There will be stricter control on frequency and the number of deputations abroad. These will be restricted to the absolute minimum.

(vii) **Staff Cars.**—Every effort should be made to reduce the expenditure on staff cars; the hiring of taxis should be kept to the minimum.

(viii) **Telephones.**—The expenditure on telephones should be rigidly controlled both for local and trunk calls. Each Railway Administration should appoint a special committee to go into the question of effecting economy in telephone bills. It should also consider the question of blocking of P & T telephones at offices and residences for STD calls. In offices, the P & T telephones with direct connection need be provided only to a very limited numbers of officers whose responsibilities and duties require them; all others should be expected to operate through a centralised PBX wherever existing. A cut of 33 per cent should be applied on the sanctioned budget under this item and a fool-proof system devised to implement it.

(ix) **Printing.**—All items of printing should be reviewed to see if application can either be stopped or published at longer intervals. Wasteage of stationery involved in printing statistics which are not current needs to be eliminated. An *ad-hoc* cut of 15 per cent may be imposed on the budgetary provisions of the Railways for 1971-72.

(x) **Paper.**—Typing should normally be done in single spacing—Typing in double spacing on single side should not be permitted. Greater economy should be observed in composing circulars, issuing tour programmes etc.

(xi) **Stabling of surplus steam locos.**—There is a considerable scope for effecting economy by stabling surplus steam engines wherever possible. The Railways should have the entire matter reviewed by their Efficiency Cells to effect economy by stabling steam locomotives.

(xii) **Fuel Economy.**—The continued drive for fuel economy has yielded good results both in 1970-71 and in the current year. The tempo already built up should be continued with full vigour and we must aim at getting further savings under this item.

(xiii) **Miscellaneous.**—New proposals or schemes on non-Plan side should not be taken up even if savings are available, unless there are extraordinary circumstances to justify them.

### **Recommendation**

The Committee refrain from making any observation on the continuation of and the losses incurred by the unremunerative Branch lines as the Railway Convention Committee, which is likely to be constituted shortly, may like to go into this question in detail.

The Committee, however, note with concern that two of the unremunerative branch lines which were already dismantled were restored at the cost of Rs. 59.18 lakhs.

[S. No. 5 & 6 of Appendix IX, paras 1.32 to 1.34 of 11th Report of the P.A.C. (Fifth Lok Sabha).]

### **Action Taken**

The observations of the Committee are noted. The question of losses on the unremunerative branch lines is now under examination of the Railway Convention Committee, 1971.

This has been seen by audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/II dated 21st February 1972/2 Phalgun, 1893.]

### **Recommendation**

The Committee note that actual goods earnings exceeded the budget by Rs. 17.79 crores. The increase is attributed to increased loads not anticipated at the time of framing the budget. That this could not be estimated accurately does not speak well of the present system of estimation of traffic. The Committee desire that the Ministry of Railways

should look into this lacuna and see how the estimation of lead could be improved to have a realistic assessment of anticipated goods earnings in future.

[S. No. 7 of Appendix IX, Para 1.43 of 11th Report of the P.A.C. (5th Lok Sabha).]

#### **Action taken**

The observations of the Committee are noted. In contrast to the earlier practice of adopting the average rate of earnings based on the figures relating to the previous completed year, actual leads and rates per tonne per kilometre are now worked out for the 9/10 months of the current financial year and are taken into account for fixing up the revised estimates for the current year and the Budget estimates for the following year. Budget estimates of earnings received from the Zonal Railways and independent assessments made by the Planning, Transportation and Statistical Directorates of the Railway Board's office are also kept in view in fixing the Budget Estimates.

It may not be out of place to add that there are hundred of commodities of varying leads, both wagonloads and smalls, the movement characteristics of which widely differ and are influenced by several extraneous factors. Even in the case of major flows, for example, the lower intake of raw materials by a steel plant getting supplies from nearby sources could itself lead to a reduction in the quantum of short-lead traffic, and consequently an increase in the average lead.

This has been seen by Audit.

[M.O. Rlys. (Rly Bd.) O.M. No. 71-B(C)-PAC/V/11, dt. 10-4-72/18, Chaitra, 1893.]

#### **Recommendation**

The Committee find that the percentage of high-rated commodities to the total movement of goods traffic has come down and that it is only of the order of 3 to 4 per cent of total tonnage. Originating traffic of these commodities fell from 9253 tonnes in 1967-68 to 7510 tonnes in 1968-69. The Committee would like Government to ensure that at least the volume of high-rated commodities is not reduced further.

Despite various measures taken in the recent past to attract more traffic, the Committee note that there has been a steep decline in the percentage of rail movement of commodities such as sugar and cotton manufactures to their total production. The percentage of movement of sugar fell from 82.3 per cent in 1950-51 to 46.0 per cent in 1967-68 and 21.8

per cent in 1968-69 and that of cotton manufactures from 81.0 per cent in 1950-51 to 28.7 per cent in 1967-68 and to 22.0 per cent in 1968-69. These figures speak for themselves. The Committee would therefore like Railway Board to examine as to what further steps should be taken to arrest this trend to maintain the Railway's share of movement in the total production of such commodities at a reasonable level.

[S. No. 8 & 10 of Appendix IX-Paras 1.73 & 1.75 of the 11th Report of the P.A.C. (5th Lok Sabha).]

#### Action taken

The observations of the Committee are noted.

The position in respect of sugar and cotton manufactures is indicated below:—

**Sugar.**—The percentage of rail movement of total production increased from 21.8 per cent in 1968-69 to 23.1 per cent in 1969-70. There has been further improvement in this regard in 1970-71 when the originating traffic in sugar increased to 12.74 lakh tonnes as compared to 9.86 lakh tonnes in 1969-70 *i.e.*, an increase of 29.2 per cent. As against this, the production of sugar in calendar year 1970 was 42.79 lakh tonnes as against 42.84 lakh tonnes in the calendar year 1969. It will, therefore, be seen that the Railway's position with regard to sugar movement has appreciably improved.

The special steps taken by railways to get back this traffic were:—

- (i) Persuading State Government to insist on levy sugar being moved by rail;
- (ii) Running of block specials to reduce transit time and pilferage en-route;
- (iii) Quotation of special rates where necessary.

**Cotton Manufactures.**—The principal reasons for drop in proportion of rail movements to total production/imports were:—

- (a) De-control of cotton textiles, as during the period of control, permits were granted for movement by rail, except for short distance or points not served by rail. After de-control of cotton textiles in the later part of fifties, the percentage of rail movement to total production/imports, therefore, came down appreciably from 61.9 per cent in 1955-56 to 38.3 per cent in 1960-61.

- (b) There has been a very large scale development of roads in Gujarat and South India, the two principal cotton textile producing areas, where the availability of roads was not very good about a decade and a half ago. For instance, road transport between Bombay and Ahmedabad which is now easy through the National Highway was possible earlier only during fair weather, which meant crossing of a number of unbridged rivers by pontoon bridges. Once road movement became possible, the factors like quicker transit time, door-to-door delivery etc., led to diversion of traffic to road;
- (c) It is principally the production by Mills which moves by rail, while the traffic from handloom sector moves primarily by road, being short distance traffic and quantum originating from any individual point being small. The increase in cotton textile production has been mainly in the handloom sector. Thus, as compared to production of Mill fabrics of 5.36 lakh tonnes in 1955-56, the production in 1969-70 was only 5.23 lakhs. As against this, production of handloom sector increased during the same period from 1.86 lakh tonnes to 4.44 lakh tonnes.

Despite these unfavourable circumstances the Railways are making an earnest endeavour to recapture this traffic. In this connection it may be mentioned that an appreciable quantum of traffic in cotton textiles is being carried by freight forwarders but these figures do not appear in the published statistics of cotton textile movement by rail as wagons loaded by freight forwarders is a traffic 'mix' charged at a specially negotiated rate and railways do not have information about the individual commodities loaded in a wagon by Freight forwarders.

The railways are fully alive to the need to arrest the trend of declining movement of high rated commodities and to take effective steps to reverse this trend. Railways are undertaking special market surveys of selected commodities to ascertain the special requirements of the commodities for movement by rail and how far it would be possible to provide special inducements consistent with the expenditure involved and the additional return expected.

This has been seen by audit.

[Ministry of Railways (Rly. Board) O.M. No. 71-B(C)-PAC/V/11 dated 16th March, 1972.]

#### Recommendation

The Committee are concerned to find that the percentage of total compensation claims paid to the freight earnings during the year 1968-69 registered an increase over that of the previous year. The percentage during

1968-69 was 1.47 as against 0.06 of Japanese National Railways and 0.26 of German Federal Railways. The Committee were informed that 60% of the total losses in transit on Indian Railways were on account of pilferage and theft and the balance was due to damage in handling. It is obvious that such huge losses have affected the growth of goods traffic. The Committee hope that all possible steps will be taken to minimise the transit losses so as to instil confidence among the consignees."

[Sl. No. 9 of Appendix IX, para 1.74 of 11th Report of PAC (5th Lok Sabha).]

#### **Action taken**

The Railways have instructions to take all possible measures to minimise the transit losses. The Railways have again been instructed *vide* Board's letter No. TC11/3132/71 dated 25-1-1971 to intensify these measures. Some of these measures are indicated in the attached statement.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11(9) dated 7-2-1972. 18, Magha, 1893].

---

#### **CLAIMS PREVENTION MEASURES**

- (i) Proper riveting and E.P. Locking of wagons carrying valuable goods as per extant instructions so as to prevent wagon breaking;
- (ii) ensuring pad locking of brake vans, luggage vans and parcel vans etc;
- (iii) escorting of goods trains by Railway Protection Force armed personnel in vulnerable sections;
- (iv) patrolling by armed Railway protection Force personnel as also by Railway protection Force Dog Squads in vulnerable and major yards;
- (v) collection of crime intelligence and conducting of surprise raids by the staff of the crime Intelligence Branch of Railways as well as the Central Crime Bureau, Railway Board, with a view to tracking down criminals and receivers of stolen railway property under the Railway property (Unlawful Possession) Act, 1966;
- (vi) maintenance of close coordination between Railway Protection Force, Government Railway Police and State Police Officers to deal with Criminals and Receivers of stolen properties;

(vii) shadowing of trains/wagons loaded with foodgrains, sugar, oil seeds etc., by Railway Protection Force Staff in order to *detect the modus operandi* of crimes and the areas where they are common and to arrest the criminals;

(viii) insistence on provision of dunnage to protect flap doors where required in case, for instance, of wagonload consignments of sugar, grains and pulses and oil seeds;

(ix) proper marking and addressing of packages, to avoid their going astray;

(x) proper labelling of wagons to avoid mis-despatches and to prevent them from becoming unconnected;

(xi) emphasis on correct documentation and securing relevant documents with wagons;

(xii) proper supervision and careful tallying of packages during loading and unloading;

(xiii) proper handling of goods at forwarding, destination and transhipment points;

(xiv) ensuring use of pictorial labels on fragile goods with a view to preventing breakage, damage etc;

(xv) patching of panel-holes of wagons not only in sick lines but also in yards and good-sheds so that goods are not pilfered through holes, and rain water cannot seep in;

(xvi) intensification of surprise checks to detect cases of short loadings and other irregularities and mal-practices;

(xvii) regular analysis of damage and deficiency messages issued by and received at stations;

(xviii) close watch over movement of wagons/vans carrying perishable traffic, so that they are not detained en route;

(xix) timely supply of stores and stationery of standard quality;

(xx) prompt fixation of staff responsibility in larger number of claims and giving of exemplary punishment in selected cases.

(xxi) special study of specific streams of traffic to localise the causes and places of thefts and pilferages, and follow up actions thereon.



### Recommendation

The Committee note that the actual passenger earnings fell short of the Budget by Rs. 12.90 crores mainly on account of a check in the growth of passenger traffic which was even less than that of the previous year by 2.0 per cent against an increase of 3.5 per cent anticipated in the Budget. The Committee are concerned to find that this was the first time in the recent years when the originating passenger traffic carried during the year showed a decline over that of the previous year. They were, however, informed that subsequently traffic had picked up and that the abnormality in the year 1968-69 was attributable to natural calamities. The Committee hope that the growth of passenger traffic will be maintained in future by ensuring better service and punctuality in running trains.

[Sl. No. 11 of Appendix IX, Para 1.83 of 11th Report of PAC, (5th Lok Sabha)].

### Action taken

As already explained during the course of discussion, the fall in passenger traffic in 1968-69 was an abnormal feature due to special circumstances. The passenger traffic has shown an upward trend during 1969-70 and 1970-71; the percentage increase over the previous year has been of the order of 5.69 per cent and 3.96 per cent respectively. The observations of the Committee in regard to ensuring better service to passengers and maintenance of punctuality have been noted.

This has been seen by Audit.

[Ministry of Railways (Rly. Board) O.M. No. 71-B4C)-PAC/V/11, dated 7th Feb., 1972/18, (Magha, 1983).]

### Recommendation

The Committee are concerned to note that the station outstandings have increased three fold during the four years ending 31st March, 1969. The percentage of total outstandings to gross earnings has also doubled during this period thereby indicating that the increase in the station outstandings was disproportionate to the growth of gross earnings. Outstandings over one year old increased from Rs. 1.92 crores in 1964-65 to Rs. 9.08 crores to 1968-69.

[S. No. 13 of Appendix IX, Paras 1.111 of the 11th Report of the PAC (5th Lok Sabha)].

### Action taken

The Ministry of Railways are conscious of the heavy accumulation of station outstandings and have repeatedly brought this matter to the notice of the Railways for taking effective steps to bring down the figure. The Railways have been directed recently to launch a special drive to clear the older items of outstandings. The following further action is also being taken to check the increase of outstandings in future:

- (i) With effect from 1-4-1972, prepayment of freight is proposed to be made compulsory on some more commodities.
- (ii) Effort is being made to use the output of the Board's computer for clearance of freight on goods not on hand. Details of the procedure to be followed in this connection would be furnished to the Committee.
- (iii) Rules governing disposal of goods on hand are being revised to ensure quicker disposal and clearance of freight thereon. Copies of orders issued in this connection would be furnished to the Committee.

This has been seen by Audit.

[Ministry of Railways (Railways Board) O.M. No. 71-B(C)-PAC/V/11 dated 28th April, 1972].

### Recommendation

The Committee are also concerned about the heavy outstandings over relating to Eastern and Central Railways. The outstandings over one year and ten years old on the Eastern Railway are considerable. The Committee need hardly stress the need for tightening up the machinery for the expeditious clearance of both current and old outstandings on these two Railways.

[S. No. 16 of Appendix IX, Para 1.114 of the 11th Report of the PAC (5th Lok Sabha).]

### Action taken

It is admitted that the station outstandings particularly on the Eastern Railway are very heavy. As already mentioned during discussions, the matter is receiving the closest attention of the General Manager and special steps are being taken to examine various items with a view to clearing them quickly. The total outstanding amount on the Eastern Railway as on 31-3-1971 was Rs. 7.64 crores out of which 2.34 crores were cleared by

30-6-1971. The Committee are assured that the matter will be pursued vigorously with the Eastern Railway Administration with a view to bringing down the outstandings to the maximum extent possible.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11  
dated 28th April, 1972.]

### **Recommendation**

The Committee are unhappy to note that the position of late start of goods trains has deteriorated in recent years. There has been a steep rise in the figures of total late start hours in most of the Railways. In the case of Central Railway (BG) and Northeast Frontier Railway the position is very unsatisfactory. On these Railways the average late start per goods trains ranged between 1 hr. mt. to 1 hr. 31 mts. in 1968-69 and 1969-70. This needs to be looked into.

The Committee feel that with the improvements in traffic facilities, as a result of completion of remodelling of yards, line capacities works, doubling of important trunk routes, etc., and introduction of diesel and electric traction as per Plans, it should have been possible for the Railways to improve on their past performances or at least arrest any deterioration. The Committee need hardly emphasize that late starts are not only an unsatisfactory feature of train operation but have considerably financial implications, leading to increase in operating and other expenses of the Railways. It is, therefore, in the interest of economy and efficient operation of train services that the late start hours of the Railways are reduced to the barest minimum.

The Committee would like the Railway Board to evolve a procedure whereby responsibility of the staff for late starts is fixed and adequate action is taken against the staff at fault.

The theft of overhead copper wires has been adduced as the main reason for the late start of most of the trains. The Committee feel that the replacement of copper wires by ACSR (Aluminium Conductor Steel Reinforced) wires, which is stated to be in progress, should be expedited and completed as early as possible.

The Committee note that the figures for late start to goods trains are not being maintained on the Eastern Railway. The Committee fail to understand how the late start of goods trains on this Railway is being watched without these figures. The Committee would like the Railway

Board to look into the matter urgently and apprise the Committee of action taken to keep an effective watch on late start of goods trains on Eastern Railway.

[S. Nos. 17-21 of Appendix IX, paras 1.147 to 1.151 of the 11th Report of the PAC (5th Lok Sabha).]

#### **Action taken**

The observations of the Committee have been noted. While all Railways have been apprised of the Committee's observations, the attention of the General Managers, Central and Northeast Frontier Railways has been specially drawn to the deterioration in their past performance. The position in the Central Railway has happily shown an improvement, but the Northeast Frontier Railway was not able to show alike improvement on account of certain extraordinary and unavoidable factors such as prolonged breaches and washaways, emergency conditions, hostilities, etc. Both N.F. and Central Railways have, however, been separately instructed by the Board to keep a strict watch by improving the late starts of goods trains.

[Copy of letter No. 71-B(C)-PAC/V/11(17-21) dated 23-1-72.]

The observations of the Committee are noted.

On almost all the Zonal Railways, the Yard Masters of important yards hold daily meetings with the Senior Supervisors of Loco and Carriage and Wagon Dep'tts. to analyse the cause of late starts to trains and fix responsibility. They also discuss and decide on the spot measures required to reduce the late starts. The proceedings of these late start meetings are sent to the Divisional Officers concerned, who in their turn go through them to fix responsibility if there is any dereliction of duty on the part of the staff and take suitable remedial measures. Railways have been advised to revitalise the system and pay particular attention to the fixation of responsibility for avoidable late starts and take necessary action against the staff at fault.

Railways have launched an extensive programme for replacement of overhead telecommunication wires by ACSR. 2621 Kms. have already done upto 30-9-1971 and sanction for 6843 Kms. issued. Difficulties are, however, being experineced for procurement of ACSR. All possible efforts will continue to expedite provision of as much ACSR as possible within the shortest possible time.

The system of maintaining late start registers in yards was given up on Eastern Railway on electrified and dieselised trunk routes. Instead, more emphasis was laid on the terminal detentions of locomotives of different

yards against the fixed targets and these detentions were subjected to detailed scrutiny. These terminal detentions do include the element of detention caused by late starts. Eastern Railway has since, however, been asked to maintain late start registers separately, like all other Railways.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11 dated 24th April, 1972; 4, Vaisakha, 1894 (S.E.).]

---

GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS  
(Railway Board)

No. 71-BC-PAC/V/11 (17-21). New Delhi, 23rd January, 1972.

To

The General Managers,  
All Indian Govt. Railways.

SUB: *Deteriorating position of late start of goods trains on Railways.*

The Public Accounts Committee in reviewing the performance, have adversely commented on the late start of goods trains on Railways. It is necessary that instructions are issued to the Divisional Supdts. to maintain late start registers in all yards and revitalise the system of analysing and taking corrective action to eliminate late starts, on a daily basis. Yard Masters of important yards should hold daily meetings with senior supervisors of Loco and Carriage and Wagon departments to analyse the cause of late starts to goods trains and fix responsibility. The proceedings of the late start meetings are to be sent to the Divisional Officers concerned who, in turn, should go through them to fix responsibility, if any, for dereliction of duty on the part of staff and take suitable remedial measures.

2. Some Railways have given up maintaining the late start statements on the plea that in electric traction the same is not required as the electric locomotives do not originate in the yard in which the loads originate. On the expected arrival of locomotives, train arrangements are made and certain targets are also laid down for the locomotive turn-round in those yards. The late start statements will analyse the deterioration of the turn-round of locomotives, late arrival of locomotives from the shed if the shed is located near the yard and also the lapses, if any, on the part of the C&W department and the yard staff in making the train ready to avoid engine detention. Irrespective of what the type of traction is, this system has to be reinsti-

ted. This system of analysing late starts should be introduced and taken advantage of to improve the engine and goods stock utilisation.

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

[No. 71-BC-PAC/V/11(17-21).]

New Delhi, 23rd January, 1972.

Copy together with 45 spare copies forwarded to ADAI (Rlys.), New Delhi.

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

#### Recommendation

The Committee regret to note that because of the delay in the indigenous development of components for power packs used in Diesel Locomotives, the Railway Board had to import Suri Transmission and reversing gear boxes from West Germany involving large amount of foreign exchange.

The Committee further note that an indigenous manufacturer offered, first in August, 1965 and again in October, 1966 to manufacture and supply Suri transmissions and reversing gear boxes according to the requirements of the Chittaranjan Locomotive Works, but these offers were summarily rejected by the Railway Board. Asked about the reasons for rejecting these offers, it was stated in evidence that as the design had not been finalised, the offers from the indigenous manufacturer could not be considered. This does not appear to be correct because when the offer made by the indigenous manufacturer in August, 1965 was forwarded by the N.R.D.C. to the Railway Board no such reason was given for the rejection of this offer. Instead the Railway Board had decided that the manufacture of Suri Transmission etc., should be done in some Railway Workshop or some Public Undertaking. At the same time the N.R.D.C. was directed to approach other indigenous manufacturers in view of the exclusive licence asked for by M/s. . .

..... Again in October, 1966, when the offer of the indigenous manufacturer was renewed the General Manager (CLW) testified that the Suri Transmissions, as per CLW's requirements, could be produced by the indigenous firm. But still the Railway Board did not agree to accept this offer, even though the firm had by then given up the plea of exclusive licence. In the meantime, a decision had already been taken in March, 1966 to make a change over from 'My back' to 'Mak' type of diesel engine and the design of the Suri Transmission was thus settled.

[S. Nos 22 & 23 of Appendix IX, paras 2.28 & 2.29 of the 11th Report of the P.A.C. (5th Lok Sabha).]

#### Action taken

The observations of the Committee are noted.

This has been seen by Audit.

[Ministry of Railways O.M. No. 71-B(C)-PAC/V/11, dated 24th June, 1972/3 Asadha 1894.]

### Recommendation

The Committee further note that in the case of North Eastern Railway, where 80 per cent of the beams failed, the Administration is not in a position to identify the manufacturers and are therefore unable to prefer any claim for replacement. The Committee feel that such a contingency should have been foreseen by the Railways. In any case, the Committee hope that they will profit by this experience and will take suitable measures to safeguard their interests in the future.

[S. No. 29 of Appendix IX, Para 2.66 of the 11th Report of the PAC (5th Lok Sabha).]

### Action taken

The observations of the Committee are noted. So far as the equalising beams for M.G. IRS Coaching stock is concerned, the drawing provides for the manufacturers to affix their seal. For other important components of coaching stock, necessary action is being taken.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11 dated 9 June, 1972/19 Jyaishta, 1894 S.E.]

### Recommendation

The Committee view with concern the derailment of coaches resulting from the failure of equalising beams as also the breakages of beams due to overcrowding on trains. These problems need to be looked into carefully. It was stated during evidence that certain modifications have been made in the design of the beams particularly in the swan neck section, to make it stronger. The Committee desire that the Railway Board should review in detail how the failure occurred in this vital section of the beam and take suitable remedial measures to safeguard against the recurrence of such defects.

[S. No. 31 of Appendix IX—Para 2.68 of 11th Report of the P.A.C.—  
5th Lok Sabha]

### Action taken

The various aspects of failure of equalising beams, the reasons for the failure and the action required to be taken were considered in the meeting of Indian Railways Chemists & Metallurgists Committee in 1968 and Railways advised of the appropriate action to be taken.

The design of the equalising beams as well as the material from which the equalising beams are required to be manufactured have been altered. Zonal Railways have also been advised of the periodicity and type of

examination to be carried out on equalising beams in service. A design of safety strap that would be easy to manufacture, easy to maintain, and which would adequately support equalising beams, has been developed and adopted as a standard. With these measures already taken, there has been a marked improvement and there has been no cases of failure of equalising beams introduced in service since 1968. It is, therefore, considered that from the point of view of design, manufacture, inspection and maintenance, adequate remedial measures have been taken to avoid failures, in future.

This has been seen by Audit who have remarked as follows:—

“The Railway Board seem to feel that no further review as desired by PAC regarding the circumstances in which the failure in the Swan neck region of the equalising beam is called for and that the existing arrangements are satisfactory. It is, however, to be noted in this connection that there are two board aspects to this case: (i) *The question of adequacy of design, specification for materials etc.* Though no modifications were considered necessary earlier in 1964, later on in 1968 and thereafter changes have been introduced (ii) *Detection of defects at the stage of initial inspection and during maintenance.* The shortcomings in this respect are clear from the fact that following a number of failures, the cracks in a large number of beams came to light and the replacement/repair of such beams had to be undertaken. It seems worthwhile examining therefore, whether in this case and in general, any improvement in procedures is possible.

The fact that there have been no further failures of the beams in any of the Zonal Railways especially N.E. & N.F. Railways is being checked up.”

#### **Further comments of the Railway Board**

Attention of the railways has again been drawn to the existing instructions and they have been asked to confirm that they are following the instructions strictly *vide* Board's letter No. 67/M(C)/142/31 dated 25th March 1972 (copy enclosed).

All the Metre gauge Railways have been asked to advise whether there has been any case of failure of the modified beams introduced in service from 1968. South Central and Western Railways have stated that there has been no case of failure of the modified equalising beam. Replies from the other 4 Railways are awaited.

[Ministry of Railways (Railway Board) O.M. No. 71|B(C)-PAC|V|11 dated 20-6-72|Jyaishta 30, 1899].



(BHARAT SARKAR)  
(RAIL MANTRALAYA)

GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS  
(Railway Board)  
No. 67|M(C)|142|31

New Delhi, dated 25th March, 1972.

The General Managers,  
Northern, North Eastern, Northeast Frontier, Southern,  
South Central and Western Railways.

SUB: *Failure of Equalising Beams on MG IRS bogies.*

In connection with the failures of MG IRS equalising beams on the N.E. and N.F. Railways in 1966-67, RDSO had taken action as detailed below:—

1. The design of the equalising beam was critically examined and alterations effected that would eliminate possibility of defects during the course of manufacture (drop-stamping/forging under press).
2. The specification of the material from which equalising beams are required to be manufactured was updated to enable selection of the most appropriate quality of steel.
3. Comprehensive laboratory investigations were carried out on several of the broken equalising beams and Metallurgical Investigation Report No. 1374 of 20th March, 1968 published by the RDSO.
4. The subject of failure of equalising beams, the reasons for the failures and the action required to be taken were considered in the Meeting of the Indian Railway Chemists & Metallurgists Committee in 1968, and Railways advised of the appropriate action to be taken.
5. Instructions regarding the periodicity and type of examination to equalising beams in service were reiterated to all MG Zonal Railways to enable beams which had developed defects in service to be segregated well in time. The subject of the examination of equalising beams was also considered in 46th CWSC.

6. A design of safety strap that would be easy to manufacture, easy to maintain and which would adequately support equalising beams was developed, considered by the 46th CWSC adopted as a standard.
7. A detailed repair procedure under proper metallurgical guidance was drawn up by a Committee and circulated to all Railways to enable standardised procedure for effective repairs by welding to equalising beams.

Please confirm that the various instructions on the subject are being rigidly followed, to avoid failures of equalising beams and derailments that may result therefrom. It may also be advised whether there has been any case of failures of the modified equalising beams which had been introduced in service from 1968.

Please acknowledge receipt.

(T. P. S. KENT),

Joint Director, Mech. Engg. (RS),  
Railway Board.

No. 67/M(C)/142/31.

New Delhi, dated 26th March, 1972.

Copy to Director General, R.D.S.O., Alambagh, Lucknow, with reference to his office letter No. MC/MLB dated 19th November, 1971. It is requested that a consolidated note detailing all the instructions issued to the Railways on the subject may be circulated to the Railways for ready reference and guidance of the Railways.

(T. P. S. KENT),

Joint Director, Mech. Engg. (R.S.),  
Railway Board.

Copy to: DDF(BC) and Budget (Committee) Branch of Board's office for information.

(T. P. S. KENT),

Joint Director, Mech. Engg. (R.S.),  
Railway Board.

### Further Information

Further to the reply forwarded under this office Memorandum No. 71-B(C)-PAC/V/II dated 20th June, 1972 to the above recommendation, it is stated that audit have furnished the following further comments in regard to failure of M. G. equalising beams on railways since 1968.

**"N. F. Railway:—**The Chief Auditor, N. F. Railway, has informed us that record to show the dates of introduction in service of equalising beams since 1968 is not forthcoming from the Railway Administration. In the circumstances it has not been possible to verify that there has been no case of failure of equalising beams on N. F. Railway."

**Southern Railway:—**The Southern Railway have advised the Chief Auditor of the Southern Railway that out of 137 equalising beams found defective during the period from 1st January, 1968 to 31st December, 1971 in one case of failure that took place during the quarter ending 31st December, 1971, the beam was of new design.

"As regards other Railways, we have no further remarks to offer."

As stated in the concluding portion of the earlier reply, the M. G. Railways have been addressed by the Board. Reply received from the Northern Railway indicates that there has been no case of failure of modified equalising beams introduced in service since, 1968.

Southern Railway have stated that during the period from 1st January, 1968 to 31st December, 1971, 137 beams were found defective. In only one case, the equalising beam was found to be of the revised design. This beam was found to have a hair breadth seam running across the side of the beam. This modified equalising beam did not get involved in failure but was examined and rejected in the depot.

[M.O. Rlys. (Rly. Bd.) O.M. No. 71-B(C)-PAC/V/11, dated the 27th July, 1972/5 Sravana, 1894 (S.E.)]

### Recommendation

The Committee regret to observe that no realistic assessment of the requirements of train lighting cells was made by the Railway Board before ordering import of 23,000 cells on an urgency basis which involved foreign exchange expenditure of about Rs. 38.47 lakhs. Instead of working out their requirements on the usual basis of past consumption, stock in hand and indigenous capacity, the Railway Board adopted a rough and ready method by taking note of the outstanding indents of the previous years which were not covered by the running contracts and the current year's indents. The figure so arrived at was compared with a rough assessment of the indigenous capacity available. They had not checked up the

actual consumption of these cells in the immediate past from the Railways. The Committee note that all cells imported on an urgency basis could not be put to use because of delayed supplies in some case of other ancillary materials like electrolyte, connectors and acid, etc. The Railways were carrying a stock of the order of 24,288 cells in May, 1969.

The Committee also observe that the prescribed procedure of obtaining clearance from the DGTD from the point of view of indigenous availability before arranging import was also not followed.

The Committee in para 3.90 of their 116th Report (Fourth Lok Sabha) had recommended that the Railway Board should study all cases of imports in detail and evolve an appropriate procedure to ensure that proposals for import are appropriate procedure to ensure that proposals for import are not cleared except after a searching scrutiny to meet compelling needs. The Committee are informed that an office order detailing the procedure to be followed in such cases has already been issued for the guidance of officers and staff. The Committee trust that the revised procedure would ensure that imports are not made unless it is patently clear that the requirements cannot be met from indigenous sources.

[S. No. 32, 33 & 34, of Appendix IX, paras 2.94, 2.95 & 2.96 of 11th Report of the PAC, Fifth Lok Sabha.]

#### **Action taken**

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

[Ministry of Railways (Rly. Board) O. M. No. 71-BC-PAC/V/11, dated 14th January, 1972/24 Pausa, 1893.]

#### **Recommendation**

The Committee are surprised that Central Railway Administration raised the imprest of M. S. Hex Nuts 1½" from 56.9 tonnes in 1961 to about four times in August-September, 1962 without correlating it with past consumption and future curtailment of the requirement resulting from the modification adopted in 1960 in the design of the brake beams and brake blocks. Had the Central Railway taken into consideration the Railway Board's directive issued only a year earlier regarding the adoption of the change in design involving fastening of the brake beams and brake blocks by cotters instead of nuts and the low rate of consumption of the nuts over the previous three years, a realistic assessment of the requirement of the nuts would have been made and the imprest would have been reduced rather than enhanced. The Committee find it a little difficult to understand how the Railway Administration overlooked these two very important

factors. Evidently the provision of the Nuts was done mechanically and injudiciously without taking into consideration all the relevant aspects of the matter.

The Committee need hardly stress the importance of correct provisioning of stores in the interest of economy. They hope that such instances of over-provisioning of stores will not be repeated in future.

[S. Nos. 35, 36 of Appendix IX, Paras 2.110 & 2.111 of 11th Report of PAC 5th Lok Sabha.]

#### **Action taken**

The observations of the Committee are noted and the same have also been brought to the notice of the Railway Administration.

This has been seen by Audit.

[Ministry of Railways (Rly. Board) O. M. No. 71-B(C)-PAC/V/11 dated 10th April, 1972/18 Chaitra, 1893.]

#### **Recommendation**

The Committee are distressed to observe that even though complaints were being received from the engineering subordinates since July, 1965 about heavy shortage of cement received by them, no action was taken to revise the procedure regarding issue of unqualified Railway receipts till November, 1968. The Committee are not able to appreciate how Railways assumed that DGS&D were exercising checks on the weight of cement bags, without making any specific enquiry. In any case complaints regarding shortage which had been coming in since 1965 should have been checked up with DGS&D to make sure if random checking of the cement bags was being done by their inspectors in the factories.

The Committee are informed that all the cement suppliers have been warned by DGS&D to ensure correct weight in the cement bags failing which action against them would be taken under Weights and Measures Act, apart from administrative action. The Committee would like the Railway Ministry to issue suitable instructions to the Railway Administration regarding the procedure to be followed by the receiving departments for initiating action against the defaulting suppliers under Weights and Measures Act. The Committee desire that the position may be reviewed after the revised procedure has been tried for about two years.

[S. No. 38 & 39 of Appendix IX, Paras 2.125 & 2.126 of the 11th Report of PAC (5th Lok Sabha)]

## Action Taken

## Para 2.125

The observations of the Committee are noted. The same have also been brought to the notice of the Railway Administration, vide Board's letter No. 71-B(C)-PAC/V/11(38—40) dt. 23rd September, 1971 (copy enclosed)

## Para 2.126

The observations of the Committee are noted. On their part, the Ministry of Railways have instructed the Railway Administration that, besides recording the shortages on receipt certificates for the purpose of recovery of the cost of shortages by the Pay & Accounts Officers, the shortages should also be brought to the notice of the Director of Weights & Measures for taking suitable action against the Cement factories and the matter followed up with them vide Board's letter mentioned in the reply against para 2.125 above.

This has been seen by Audit.

[Ministry of Railways (Rly. Board) O.M. No. 71-B(C)-PAC/V/II dt. 7th February, 1972/18 Magha, 1893.]

Copy of Railway Board's letter No. 71-B(C)-PAC/V/11(38—40) dated 23rd September, 1971, to the General Manager.

SUB:—Action taken on PAC Recommendations Sl. Nos. 38—40 contained in the 11th Report (1971-72) on Para 15 of Railway Audit Report, 1970—Loss due to short receipt of cement from the suppliers.

REFS—Your letter No. G. 259-W/60-70/(13) dt. 7th April, 1971.

An extract of P.A.C's observations contained in paras 2.125 to 2.127 of the 11th Report (1971-72), relating to the above case, is sent herewith for information and necessary action.

2. Regarding the observations of the P.A.C. in para 2.126 a copy of D.G.S. & D's letter No. SMH8/RC-7269/Cement/Short weight dated 2nd February, 1971 to the Chief Secretaries of the State Governments is enclosed. The Board desire that in future, besides recording the shortages on receipt certificates for the purpose of recovery of the cost of shortages by the Pay and Accounts Officers, the matter should also be brought to the notice of the Director of weights & Measures for taking suitable action against the Cement factories and the matter may be followed up with them.

3. A half yearly report on the shortages in the cement supplies from different factories may be submitted to the Board in July and January every year till further orders.

Copy of D.G.S. & D's letter No. SMH-8/RC-7269/Cement/Short Weight dated 2nd February, 1971 to the Chief Secretaries, State Governments.

*SUB:—Underfilling of Cement bags by cement factories.*

I have the honour to report to you that complaints have been received from the various indentors that they are recording underfilled cement bags from various factories. The matter is being examined in consultation with the Ministry of Law to take suitable action against such firms. The Ministry of Law wants to study the State Law for weights and measures.

You are, therefore, requested to kindly forward a copy of the weights and measures Act concerning your State.

You are also requested to instruct the respective Director of weights & Measures to make surprise checks to the cement factories and take necessary legal action against the manufacturers who supply underfilled cement bags.

Your early reply will be much appreciated.

#### **Recommendation**

The Committee observed that the Northern Railway failed to follow the standard procedure laid down when a consignment of paper is found to be defective. In the first instance, some quantity of the defective paper was consumed to the detriment of Railway's claim on the supplier without waiting for the report of the Deputy Controller (Inspection), to whom samples had been sent for laboratory test. Secondly the Railway Administration failed to take up the matter of defects in the supplies with the Mills as advised by the D.G.S. & D. And thirdly there was unreasonable delay in informing the Deputy Controller (Inspection) about the defects noticed in the paper.

The Committee are surprised to learn that although, at one stage it had been decided to put this paper to alternative use, in actual fact it was utilised for the indented purpose'. This needs to be looked into.

The Committee would like Ministry of Railways to issue detailed standing instructions, in consultation with the Department of Supply to obviate recurrence of such instances.

[S. Nos. 41, 42 & 44 of Appendix IX, paras 2.141, 2.142 & 2.144 of 11th Report of PAC (5th Lok Sabha).]

**Action taken**

The matter has been examined in detail in consultation with the Northern Railway. The various lapses in this case are (i) initial acceptance of the paper when visual inspection indicated defects and when the test report of the Inspecting Officer was awaited. The result of such premature acceptance, was taking over of the paper into stock and its part consumption which was detrimental to Railway's claim against the supplier. (ii) Not allowing the firm's representative to inspect the paper on or about 11th Sept., 1964 when he came within 15 days of the test report from the Dy. Controller of Inspection, Calcutta. (iii) Unreasonable delay in informing the Dy. Controller of Inspection about all the defects in the paper and also superficial nature of the initial inspection on 4-8-64 with the result that the major defect in the supplies was not reported to the inspecting officer or to the ordering authority in time.

The Assistant Superintendent (Printing and Stationery), Shakurbasti has been held responsible for these failures. The officer concerned, however, retired on 1st October, 1966 and his settlement dues have been paid long ago and no action can be taken at this stage.

After a decision was taken to accept the supplies at a reduction of 5 per cent, the railway carried out practical demonstration on a number of reams to see whether the paper could be used profitably. The practical tests indicated that the paper was suitable and accordingly it was used for indented purpose itself.

Necessary instructions in consultation with the Department of Supply have been issued under Board's letter No. 71-B(C)-PAC/V/11(41-44) dated 10-4-1972 (copy enclosed).

This has been seen by audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/5/11 dated 9 June, 1972/19 Jyaistha, 1894(S.E.).]

---

GOVERNMENT OF INDIA (BHARAT SARKAR)

MINISTRY OF RAILWAYS (RAIL MANTRALAYA)

(Railway Board)

No. 71-B(C)-PAC/V/11(41-44)

*New Delhi, the 10th April, 1972*

The General Managers,

All Indian Railways,

Including D.L.W. C.L.W. & I.C.F.

Chief Administrative Officers,



Metropolitan Projects,  
Bombay, Calcutta, Madras & Delhi.

*Sub:—Recommendation No. 44(Para 2.144) of the 11th Report of the P.A.C. (5th Lok Sabha) relating to para 16 of Audit Report Railways 1970,—acceptance of defective printing papers.*

In respect of purchase of printing paper in bulk, the D.G.S. & D. enters into a rate contract with the various mills. The Controller of Stationery, Calcutta acts as the direct demanding officer who receives the indents from Railways and places orders. The relevant portions relating to the procedure for inspection and complaints are enclosed as Annexure I.

Besides, as per instruction issued by Dy. Controller of Inspection, Calcutta, the consignee is required to fill in the portion "details of stores inspected" of Part I of the Inspection Note and also to fill in Part II of the "Receipt Certificate" in token of his having received consignments correctly. The consignee is required to send all the copies of the inspection notes duly filled in and signed by him under his office seal/rubber stamp, to the office of Dy. Controller of Inspection, Calcutta alongwith 6 sample sheets of paper drawn at random. The consignee is also required to indicate his view about the service-ability of the supplies received by him for his intended purpose. The consignee is not to enter any remarks about any sort of discrepancy noticed in the paper in the Inspection Note unless and until the same attains a state of settlement with the party concerned, as entering of such remarks in the inspection Note at the initial stage without concurrence of the party concerned is liable to create a lot of complications. A copy of such cyclostyled circulars issued to the consignee by the Deputy Controller of Inspection (Stationery) Calcutta is enclosed as Annexure II.

2. In a specific case dealt with by the Public Accounts Committee in the above noted recommendation the following defects were noticed:

- (i) The consignment of paper was initially accepted although the consignee's inspection indicated that the paper was defective and the preliminary report sent by the consignee to the Deputy Controller of Inspection stated that the paper was specky, weak and pulp not digested.
- (ii) As the consignment was initially accepted, a part quantity was utilised thereby weakening the position of the Railway for claiming full replacement/reduction in price.
- (iii) After examination of the samples sent by the consignee, the Dy. Controller of Inspection, Calcutta, had intimated the firm

that the paper was substandard and had advised the firm to inspect the consignment within 15 days from the date of issue of his letter. Accordingly, when the supplier's representative wanted to take samples within the periods specified in the Dy. Controller of Inspection's letter, the consignee did not allow him to do so in the first instance. In the same letter addressed to the firm, the Dy. Controller of Inspection had under his endorsement to the consignee, asked him to intimate whether paper would serve the Railway's purpose. There was abnormal delay of 10 months on the part of the consignee in answering this query wherein consignee reported that the paper was not suitable for the indented purpose.

- (iv) On account of the above delay on the part of the consignee as well as on account of his action to utilise part of the supplies, the supplier did not accept the rejection of the balance quantity of paper and insisted on acceptance of the entire quantity at 5 per cent reduction in price. At this stage when the matter was referred to the consignee for acceptance of the entire quantity, at a reduction in price, he pointed out further defects in paper viz., the existence of holes of the size of pinpoint to button holes. As these defects were pointed out very much belatedly, it was not possible for the DGS & D to make the firm agree to the fresh defects and that there was no scope for obtaining any further reduction in price on account of the existence of additional defects.
- (v) Finally the consignment of paper had to be accepted at a reduction of only 5 per cent in the price.

3. The details of the case as mentioned above are brought to the notice of the Railways for their guidance to avoid recurrence of such instances in future.

P. R. BHAGWAT,

Dy. Director Railway Stores(G)  
Railway Board.

Encl. 2

No 71-B(C)-PAC/V/11

New Delhi, the 10-4-1972.

Copy with 45 spares forwarded for information to A.D.A.I. (Railways), New Delhi.

P. R. BHAGWAT,

Dy. Director Railway Stores(G)  
Railway Board.

## ANNEXURE I

EXTRACT OF PARAS 6 AND 7 RELATING TO "INSPECTION" AND "COMPLAINTS" FROM THE BOOKLET "ANNUAL RATE CONTRACT FOR THE SUPPLY OF PAPER AND PAPER BOARDS" ISSUED BY THE DEPARTMENT OF SUPPLY.

6 (a) **Inspection:**—In respect of supply order placed by the Controller of Stationery, Government of India, Stationery Office, 3, Church Lane, Calcutta, the inspection will be carried out by the Deputy Controller (Inspection), Government of India, Stationery Office, 3 Church Lane, Calcutta. But with regard to supplies of paper ordered on behalf of the Ordnance Factory and/or the Defence Services and for which supply orders are placed by the Controller of Stationery, G.I.S.O., 3, Church Lane, Calcutta, the inspection will be carried out by the following authorities:—

- (i) Inspection authority/A.H.S.P.—
  - (i) The Chief Inspector of C.I.G.S., Post Box No. 127, Kanpur, for IND and/or GS Specifications.
  - (2) The Chief Inspector of Military Explosives, Kirkee, Poona-3 for IND/ME Specifications.
- (ii) Inspecting Officer—

The A.I.O./O.i./c., of the I.G., S/G.S.I.D. of the area concerned or his authorised representative will carry out inspection and complete inspection note portion 1 of form D.G.S. & D./ (S)—84.

(b) In respect of local deliveries to the consignees in Calcutta the inspection portion of form D.G.S. & D.(S)—84 will be filled in and signed by the Deputy Controller Inspection Calcutta or an Officer acting for him.

(c) (i) In respect of supply orders placed by the Controller of Stationery, Calcutta for supplies to out station consignees Part I Inspection Certificate of Form D.G.S. & D. (S)—84 will be filled in by the Deputy Controller (Inspection), Calcutta or an Officer acting for him. The consignee will fill in Part II Receipt Certificate of Form D.G.S. & D (S)—84 only before sending these forms to the Deputy Controller (Inspection) Calcutta. Part I—Inspection Certificate should be left blank.

(2) In respect of supply orders placed by the Direct Demanding Officers other than the Controller of Stationery, Calcutta inspection will be carried out by the respective consignees. Part I of the inspection certificate form D.G. S&D(S)—84 will in such cases be filled by the respective consignee along with Part II thereof after he has satisfied himself about the quantity and quality of the stores and also that complaints, if any regarding quality, short weight, etc. have been settled.

7. **Complaints:** (a) **Complaints** regarding defective quality short weight, etc., in respect of supplies made against this Rate Contract shall be made in writing by the Direct Demanding Officers placing the supply order and sent to the supplying mill by registered post acknowledgement due within 120 days for reeled paper and within 45 days for sheet paper from the date of receipt of paper. Copies of all such complaints must invariably be endorsed to the Director General of Supplies and Disposals, New Delhi, the Pay and Accounts Officer, Department of Supply, New Delhi, and the Chief Controller of Printing and Stationery, India, New Delhi. Consignment in respect of which a complaint regarding quality is being preferred must be available for examination and should be kept intact.

A period of 15 days from the date of reporting of such consignments shall be allowed to the mills to inspect the consignment and take samples if so desired. A further period of 15 days would be also allowed from the date of inspection of the consignments for reporting on the samples. After the expiry of the prescribed period the consignee would however be at liberty to utilise the consignment without any further reference.

(b) The Direct Demanding Officer or his nominee may, however at the instance of the consignee, bring to the notice of the Chief Controller of Printing & Stationery, India, New Delhi any defect in the quality of paper supplied and he will deal with all complaints regarding quality of paper from all Direct Demanding Officers. The Chief Controller of Printing and Stationery, India, New Delhi, will order such test or tests to be made as he may consider necessary and his decision in respect of quality of paper shall be final and binding on the parties.

## ANNEXURE II

*Copy of Cyclostyled Circular Issued by the Deputy Controller of Inspection (Stationery) Calcutta giving Instruction to the Congress.*

GOVERNMENT OF INDIA STATIONERY OFFICE, CALCUTTA.  
(INSPECTION WING).

X-142 DPI/9/64.

Form X-B  
3, Church Lane,  
Calcutta, Dated 10th August, 64

The Supdt,  
 Printing and Stationery,  
 N. Rly Shakurbasti.

**SUB:—Supplies of 2240 reams sheets of paper Wh. Ptg. 69 x 86 Cms.-  
 14.2 Kgs. in Reels.**

(Detailed given below made to you by M/s. Delhi Pulp Industries Ltd,  
 under Despatch advice No.....).

R/R Number C. 363908 and C-363965  
 Challan number against order No.  
 dated 18-7-64 and 20-7-64.

Sir,

In enclosing a blank set of Inspection Notes No. X-142/DPI/9/64 consisting of seven copies of book No. 219201 for the above supply of paper, I am to request you to fill in the portion under "Details of stores inspected" (Part I of the Inspection notes) as per specimen sent herewith as also to fill in part II "Receipt Certificate" in token of your having received the consignment correctly.

I also request you that all copies (without retaining any copy at our end for your records) of the Inspection Notes, duly filled in and signed by you under your office seal/rubber stamp in token of your having received the consignment correctly, may be forwarded to this office within 10 days of receipt of the blank set along with six sample sheets of paper drawn at random. It is essential that each sheet is duly marked and signed by your office. The set of six sample sheets should then be folded in the size not below 8" x 13" and packed flat under stiff cover for transmission to this office indicating your view about the serviceability of the supply received by you for your indented purpose.

I further request you that copies of the inspection notes marked accounts office copy No. 1 and 2 should in addition be attested under your signature at the top left corner of part I of Inspection Notes.

I shall return copy No. 4 of the Inspection notes to you after certification by this office for your office records.

I also request you to furnish verification report about weight of and sheetage in 5-10 per cent of the lot drawn at random and indicate the date of receipt of the consignment at your end. If it is not possible to furnish weight statement as asked for, it may be certified that the weight of the paper tallies with the weight printed on the ream label.

In case of complaint about quality/Weight/Sheetage/size/shortage/deficiencies/discrepancies etc. If any please take up the matter with the mills direct to avoid time lag in this office taking up with the mills within 45 days (in case of supplies in reams) and 120 days (in case of supplies in reels) from the date of receipt of the consignment at your end failing which the mills will not entertain such complaint. In such an event, please keep the lot aside and send a few ream/reel labels to the mills.

I also request you that in case of future supplies the procedure detailed above may kindly be followed, specially in respect of forwarding sample sheets and verification reports and that complaint, if any be brought to the notice of the mills immediately, even if the issue of the blank set is delayed by this office on account of non-receipt of relevant despatch intimation or any other reason beyond the control of this office inspection Wing.

Please note that the pay and accounts officer, concerned desires that the officers signing the Inspection Notes on behalf of the consignee or indenter should indicate their own designation on the inspection Notes. The Inspection Notes otherwise will not be treated as valid for payment.

*Important:* If any sort of discrepancy is noticed in the supply you should not enter any remarks about the same in the inspection Notes unless and until the same attains a state of settlement with the party concerned. Entering of such remarks in the Inspection Notes at the initial stage without the concurrence of the party concerned is liable to create a lot of unnecessary embarrassment towards the later stages.

Please also note that if you fail to furnish verification reports about weight and sheetage while forwarding sample sheets/Inspection Notes, this office will presume that the said factors are in order and you have no complaints on the same. This office will not issue any further reminder regarding submission of the said reports, but will release inspection notes forthwith.

Your close co-operation in the matter is requested.

Please acknowledge receipt.

Yours faithfully,

(Sd.)

for Deputy Controller, Inspector.

Encl: Set of I/Notes in 7 copies.

N. B1.

The accounts office copies of the Inspection Notes and continuation sheets should be signed individually in ink. Indelible pencil or ball point pen should not be used.

The remaining copies of Inspection notes and continuation sheets can be signed in copying pencil in one stroke placing carbon paper under each sheet, provided the signature are clear.

Whenever Inspection Notes are typed, all copies should be signed in ink individually. The continuation sheets should be signed as above in all cases without any lapse. Consignees should sign the Receipt Certificate portion of the Inspection Notes in ink. Ball Point pens should not be used, in signature.

---

### Recommendation

The Committee regret to observe that in the contract entered into with the firm in 1962, there was no built-in provision for safeguarding the monetary interests of the Railways if the firm used the scrap for a purpose other than manufacturing C.I. Sleepers. When a new contract with the firm was entered into in 1965, the Railways failed to obtain Bank guarantee to fully safeguard their interests. The Committee take a serious view of this lapse and desire that responsibility for it should be fixed and the Committee informed of the action taken.

The Committee are surprised to learn that following a special police enquiry a ban was imposed on the supply of pig iron and coal etc. to the firm, but the Railways who had been dealing with the firm for quite some time had no information about the action taken against the firm. This illustrates lack of co-ordination amongst various Ministries/Department of Government of India. The Committee recommend that a detailed procedure should be laid down to ensure that action initiated against any firm/party by one Government Department is notified to all other Government Departments/Ministries for information and necessary action.

[S. No. 45 & 46 of Appendix IX, Paras 2.160 & 2.161 of 11th Report of the P.A.C. (Fifth Lok Sabha).]

### Action taken

The circumstances under which the Bank Guarantee could not be obtained while entering into contract with the firm in 1965 has been further examined. The position is as under:—

In the contracts entered into in 1962, the following clause was incorporated to make sure that the C.I. Scrap, coal and pig iron supplied at

controlled rates by the Railways/Other Government Agencies are utilised only against the Railway Contracts:—

"I/We hereby solemnly declare that \_\_\_\_\_ intend-  
ed for above is required for the purpose of manufacturing  
C.I. Sleeper plates against the Railway allotment and that it  
will be consumed at \_\_\_\_\_ and will not be utilis-  
ed for any other purposes and further it will not be resold  
without the prior approval of the Railway concerned/Iron and  
Steel Controller."

Railway scrap was sold at the controlled rate only with the above declaration of the contractor. As the contractor did not supply the equivalent quantity of sleepers against the scrap, about 537 tonnes scrap remained with him unutilised. Since, however, the Railway did not have any proof of the firm having sold or misused the scrap, no action could be taken under the above quoted clause against the contractor, by reporting the matter to the Iron and Steel Controller.

In view of the failure of certain firms in not having utilised the raw material in the manufacture of C.I. Sleepers during the period prior to 1962, the matter came up before the P.A.C. and the P.A.C. in their 21st Report (Second Lok Sabha) recommended incorporation of a clause in all contracts placed after 1963 stipulating that raw material secured with Government assistance for the execution of Government contracts are held by the contractors as trustees for Government and such materials are used solely for the performance of the contract against which they are issued and not disposed of without the permission of the Government. This provision together with the provisions existing in 1962 for safeguarding the Government interests in the raw materials issued to the contractors were incorporated in 1965 contracts placed on this firm. This contract also specifically provided for the utilisation of 537 tonnes of railway scrap supplied to the firm in 1962 and for the reimbursement of the amount paid by the firm already after the scrap was accounted for in the supply of C.I. Sleepers. This clause is extracted below for information:—

"The quantity of 537 tonnes of railway C.I. scrap received by the contractor against contract No. 62/746/24/RS(S) dated 27th February 1962 for the supply of 3,000 tonnes of C.I. Sleepers to Eastern Railway and which is lying unutilised with him shall be adjusted against the quantity of scrap to be supplied by the Eastern Railway against this contract. The payment made by the contractor for this 537 tonnes of scrap received earlier shall be refunded to him after completion of supply of 1074 tonnes of sleepers against this contract."



The firm had accepted this contract. It was, therefore, expected that the firm would fulfil its commitment as per terms of the contract. The remarks of the Railway Board's representative at the time of discussion that the Railway could have or should have executed a bank guarantee at the time of placement of the new contract should be interpreted in the sense that with the exercise of a little more circumspection the officers who dealt with the contract at that time could have tried to persuade the firm to execute a bank guarantee for the difference of price between the rate at which 537 tonnes of scrap was sold to the firm and the current market rate. It is, however, submitted that while placing the new contract with the firm in 1965 specific provision was made in the contract for the adjustment of 537 tonnes of scrap already lying un-utilised with the firm so as to safeguard the interest of Railways and to prevent the firm from making profit by disposing it off at the higher market price. As that time further action could have also been taken to persuade the firm to furnish the bank guarantee for 537 tonnes of scrap already in their possession. However omission to take this action may not be treated as a failure calling for fixing up responsibility on any individual officer. It may also be stated that under the existing standard conditions of contract for the supply of cast iron sleeper plates, the C.I. scrap is supplied by the Railway free of cost against a Bank Guarantee and as such there are no chances of recurrence of such cases in future. However, the question of issuing instructions to the Railways to safeguard the interests of the Railways in similar cases is under consideration.

Following a Special Police Enquiry, the ban was imposed by the Ministry of Industrial Development. That Ministry has been requested to take necessary action on this recommendation and furnish an action taken note.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/II, dated 21st February, 1972/2nd Phalgun, 1893.]

#### **Further Information**

Further to the reply to para 2.161 given in the action taken note submitted to the Public Accounts Committee under Ministry of Railways O.M. No. 71-B(C)-PAC/V/II, dated 21st February, 1972, it is submitted that the Ministry of Industrial Development have stated that a detailed procedure to ensure that action initiated against any firm/party by one

Government Department/Ministry is notified to all Government Departments/Ministries has been laid down in Department of Supply's circular O.M. No. 13/38/65-V, dated 14th September, 1971.

Sd./-

(K. T. MIRCHANDANI),  
Director, Account Railway Board.

[Ministry of Railways (Rly Board) O.M. No. 71-B(C)-PAC/V/11 dated 15th July, 1972/Asadha, 1894 (S.E.)]

### Recommendation

The Committee note that an order for manufacture of 1,000 wagons was placed on the Golden Rock Workshop by the Railways in 1961; and again for 500 wagons in 1963. These orders were placed to meet the pressing requirements of wagons for the Railways as also to utilise gainfully the staff who were expected to become surplus as a result of wage incentive scheme. While the Committee appreciate the considerations for placing orders on the workshop even when it had no previous experience of manufacturing wagons, they feel that adequate precautions were not taken to eliminate chances of occurrence of manufacturing deviations and manufacturing defects. The Committee feel that no deviation from the prescribed specifications/components should have been allowed without prior consultation with the Research, Designs and Standards Organisation which also works under the Railway Board. Secondly, the inspection organisation should have been suitably strengthened to ensure that no shortcomings were allowed to creep in during the process of manufacture and that rigid standards were enforced at the time of final passing.

The Committee understand that the Railways are switching over from one type of manufacture to another in various Workshops under their control to match the changing requirements. The Committee are keen that the Railway Board should learn from the costly lapse that has occurred in the present case and devise remedial measures to ensure that such instances of vital defects creeping in the process of manufacture should not be allowed to recur on the plea of manufacture being taken up for the first time.

[S. Nos. 48 & 49 of Appendix IX, paras 3.19 & 3.20 of 11th Report of the P.A.C. (5th Lok Sabha).]

### Action taken

The Committee's observations have been noted.

As desired by the Committee, detailed instructions have been issued to the Railways and Railway Production Units to avoid similar lapses in

future *vide* copy of letter No. 71-BC-PAC/V/11(48-49) dated 27th September, 1971 enclosed.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-BC-PAC/V/11, dated 14th January, 1972/24 Pausa, 1893.]

---

No. 71-B(C)-PAC/V/11(48-4).

GOVERNMENT OF INDIA

MINISTRY OF RAILWAYS

(Railway Board)

*New Delhi, dated the 27th September, 1971*

The General Manager,

All Railways including CLW, DLW & ICF.

**SUBJECT:—***Recommendation Nos. 48-49 of the 11th Report of the PAC (1971-72) on Para 18 of Audit Report (Railways) 1970 re. extra expenditure due to defective manufacture of 'O' type wagons in Railway Workshops.*

---

In a recent case of an audit para pertaining to additional expenditure involved in improving a particular type of wagon manufactured in the recent years within a short period in service because of failures in service of certain wagon members, a specific point was made by the Committee with respect to detailed precautions that are to be taken by the manufacturing units while launching in to varied types of wagons production etc. The Committee commented that the Railway Manufacturing Units should be specifically advised to exercise maximum care while switching over from one type of manufacture to another to match the changing requirements on the Railways.

2. It should be specifically noted by the Chief Mech. Engineers that where previous experience is not adequate or available in respect of manufacturing different types of rolling stock or components or any other type of new fabrication, adequate precautions should be taken to eliminate chances of occurrence of manufacturing defects and there should be no manufacturing deviations from prescribed specifications. Any change in specification required or in the type of components must not, REPEAT NOT, be done without prior consultation and approval of the RDSO.

3. The, Inspection Organisation checking these items of manufacture at each stage as well as at the time of final certification should be adequate to ensure a through check and make sure that no shortcomings are allowed to creep in during the process of manufacture and that rigid standards are endorsed right up to the time of final inspection and certification. The Inspection Organisation in all such cases should work under the direct control of the CMEs of the Railways/Production Units and should be responsible to directly report to him regarding the quality of manufacture at the different stages and during final certification.

4. Lack of experience in the initial stages as well as adopting short cut methods in the process of manufacture resulting in vital defects creeping in should on no account be made a plea for final bad performance.

5. Instructions issued may be carefully gone into and immediate suitable action taken at all levels and instructions specifically given to the manufacturing units to avoid recurrence of such lapses and later expenditure for corrective action.

Sd./-

J. MATTHAN,

*Director, Mech. Engg. (P.&D.), Rly. Board.*

No. 71-B(C)-PAC/V/11(48-49).

Copy with 45 spares for information to the ADAI (Rlys.), New Delhi.

K. PARAMESWARAN,

*Dy. Director Finance (B.C.) Railway Board.*

DA/As above.

#### **Recommendation**

The Committee note that the actual production in the Chittaranjan Steel Foundry, even after providing alternative load in the shape of castings which were not originally planned for, is below the full capacity production. Against the 10,000 tonnes capacity targetted to be reached by September, 1966, the actual production had reached 7718 tonnes in 1967-68 and 8602 tonnes in 1968-69.

The Committee note that as against the installed capacity of 1000 tonnes, the annual target production of the manganese steel crossings section of the Steel Foundry has been scaled down to 350 tonnes only. Even then the actual availability of load per annum has been much less. The total quantity of manganese steel crossings manufactured during 1967-68 and 1968-69 were only 99 tonnes and 198 tonnes respectively. Similarly the total quantity of fresh orders received for manganese steel crossings during 1969-70 was only 205 tonnes.

The Committee further note that in the initial stages the production of bigger sizes of crossings like 1 in 20 and 1 in 16 crossings was taken up as the comparative usefulness of manganese crossings over built up crossings in these sizes is far more than on 1 in 12 and 1 in 8½ sizes. However, the production is now concentrated on 1 in 12 and 1 in 8½ sizes in view of the smallness of the orders for the bigger size crossings.

The Committee also note that as stated by the Railway Board "the use of cast manganese steel crossings is necessarily limited as they can be used only with wooden sleeper assemblies, the supply of which is restricted and the use of cast manganese steel crossings of smaller dimensions is not essential but only desirable."

The Committee are constrained to observe that before planning of capacity for the manufacture of manganese steel crossings at the Chittaranjan Steel Foundry, no detailed assessment of the sustained requirements of different sizes of crossings was made nor the financial and technical implications of providing manganese steel crossing in the yards etc. adequately examined.

[S. Nos. 50 to 54 of Appendix IX, para 3.52 to 3.56 of the 11th Report of the P.A.C. (5th Lok Sabha)]

#### **Action Taken**

The observations of the Committee are noted.

This has been seen by audit.

[Ministry of Railway) (Rly. Board's) O.M. No. 71-B(C)-PAC/V/11 (50-56), dated 10-4-1972/18 Chaitra, 1893.]

#### **Recommendation**

The Committee are not convinced by the explanation offered by the Railway Administration that the manufacture of mechanical stokers was suspended as due to dieselisation and electrification their need for use in the steam locomotives receded. Even at present the South Eastern Railway has as many as 509 steam locomotives.

As has been pointed out by Audit the suspension of manufacture of stokers is primarily attributable to the unsatisfactory performance of the seven stokers manufactured by the railway. The Committee are informed that trials carried out by South Eastern Railway with the imported stokers

did not yield any firm conclusions. At the same time it has been stated that Railways did not have any prior experience of mechanical stokers for WG class of locomotives.

The Committee are unhappy to note that the Railways proceeded with the manufacture of as many as 20 mechanical stokers without having any previous experience and without waiting for the conclusive results of trial with the imported stokers, thereby incurring an infructuous expenditure of Rs. 8.43 lakhs.

The Committee need hardly emphasise that before embarking on any new Project there should be adequate planning and the pros and cons should be carefully gone into. The Committee would like the Railway Board to examine whether the capacity rendered surplus following suspension of manufacture of stokers is being fully utilised.

[S. Nos. 57—60 of Appendix IX, Paras 3.70, 3.71, 3.72 and 3.73 of 11th Report of PAC (5th Lok Sabha)]

#### **Action Taken**

The observations of the Committee are noted.

The observations made in the first portion of this para are noted. As regards the utilisation of the capacity following the suspension of manufacture of stokers, the committee are informed that surplus capacity following suspension of manufacture of mechanical stokers is being fully utilised in other Development works undertaken in the workshops.

This has been seen by Audit.

[Ministry of Railways (Rly. Board) O.M. No. 71-B(C)-PAC[V]II, dated 14-1-72/24 Pausa, 1893.]

#### **Recommendation**

The Committee are concerned to note that out of 5250 I.C.F. coaches put into service since 1955 upto April, 1968, as many as 2442 coaches were found to be severely affected by corrosion upto April, 1969. The repairs to these coaches are estimated to cost about Rs. 2.18 crores.

It is seen that although the need for very high standard of maintenance of these coaches was realised and emphasised even at the design stage, no detailed instructions were issued to the Zonal Railways as to how these coaches, which were very much different from the conventional coaches

which they had been handling so far, should be maintained particularly to prevent the onset of corrosion. The Committee feel that, knowing fully well that the trough floor of these coaches was designed to take 70 per cent of the buffing force and that climatic and usage conditions in India were widely different from Switzerland from where Schilieren type coach concept was taken, the Railways should have kept close and more intensive watch in conjunction with I.C.F. and Research, Designs and Standards Organisation on the performance of these coaches. Had such care been taken the corrosion problem could have been forestalled by taking timely remedial measures.

The Committee desire that Railways should now take planned action without delay to repair 2442 coaches which are reported to be severely affected by corrosion.

The Committee also desire that the working relating to redesigning of window to arrest corrosion on pillar parts, side walls etc. of the coach should be expeditiously completed by RDSO and effective remedial measures taken.

[S. Nos. 61-63 and 65 of Appendix IX, Paras 4.25, 4.26, 4.27, and 4.29 of 11th Report of PAC (5th Lok Sabha).]

#### **Action Taken**

The observations of the Committee are noted.

The observations of the Committee are noted. The Railways have been instructed to take immediate action to complete the repairs on the coaches affected by corrosion.

The observations of the Committee are noted. Necessary instructions have since been issued to the RDSO to finalize the matter without any further delay.

This has been seen by Audit.

[Ministry of Railways (Rly. Board) O.M. No. 71-B(C)-PAC/V/11, dated 21-2-1972/2 Phalgun 1893.]

#### **Recommendations**

The Committee note that in 1964, 1401 locomotives had been brought under internal water treatment either through the fitment of dosing gears or by manually dosing the chemicals. The number of locos treated externally

came down to 256 in 1964 from 967 in 1956. However, the 14 water softening plants continued to be operated for treatment of water upto 1967 and 1968 resulting in extra expenditure of Rs. 1.59 lakhs during the period. The Committee consider that with the progressive decline in the number of locos requiring external treatment, the water softening plants should have been closed down earlier.

The Committee find that out of the 7150 locos on all Railways requiring treatment for softening of water only 3057 locos have so far been fitted with the dosing gears. Since the Railways have now several years of experience of working of dosing gears for softening of water for steam locomotives and the cost is also admittedly cheaper than of softening water externally through water softening plants, the Committee would like Railways to instal dosing gears of resort to manual dosing of chemicals on the remaining steam locomotives and save on the water softening plants if any, still functioning on the Railways for boiler feed purposes.

[S. Nos. 66 & 67 of Appendix IX, Paras 4.37 and 4.38 of the 11th Report of the PAC (5th Lok Sabha)].

#### Action Taken

The observations of the Committee are noted.

The position regarding fitment of dosing gears on Railways as on 30-6-1971 is given below:—

Railway	No. Undergoing water treatment	No. fitted with dosing gears	No. undergoing manual dosing
Central	642	129	513
Eastern	632	141	491
Northern	1129	520	609
North-Eastern	518	413	105
Northeast Frontier.	466	373	93
Southern	970	355	615
South Central	439	378	61
South Eastern	895	195	701
Western	1398	992	406
	7090	3496	3594



The criteria for treatment of hard water used as boiler feed water on steam locomotives is not only one of adopting the cheapest possible method, but is also dependent upon the most efficacious system for the type of feed water used. At the 16th Meeting of the Water Treatment Committee (August 1970) it was decided that when permanent hardness was in excess of 200 parts per million, external treatment should be considered in conjunction with internal treatment. In the light of this recommendation, the 4 railways on which external water treatment plants continue to function were asked to review the necessity for operating them. The result of the review is as under:—

#### NORTHERN RAILWAY:

There are seven water softening plants in Jodhpur and six in Bikaner Divisions. As a result of the review, it has been decided to close down two in Jodhpur and one in Bikaner Divisions. The others will have to continue as the extent of permanent hardness is higher than 200 P.P.M.

#### SOUTH CENTRAL RAILWAY:

There are thirteen water softening plants in the Pune-Raichur Section. Four water softening plants are being installed on the Kurduwadi-Miraj-Latur (NG) Section as the extent of permanent hardness is very high. In regard to the Pune-Raichur Section, the Railway has stated that at seven watering stations, water is taken from river sources which is turbid for the most part of the year and the presedimentation is necessary before external treatment is introduced. The comparative cost of internal treatment as against external treatment is still under examination.

#### SOUTH EASTERN RAILWAY:

There are three water softening plants at Shalimar, Santragachi and Waltair. As a result of review, the plants at Santragachi and Waltair have been closed down. The extent of permanent hardness at Shalimar is very high and this plant has to continue.

#### WESTERN RAILWAY:

There are eight water softening plants on this Railway—one in Baroda, four in Rajkot and three in Bhavnagar Division. Most of these Plants are situated in the coastal areas of Saurashtra where hardness content depends upon the amount of rain-fall and hardness content varies with the change

is the level of water in the wells at different periods of the year. The operation of these plants is kept under constant watch and action will be taken to close down the plant whenever the position improves.

{Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11 dated 24-6-72, (3 Ashada, 1894 S.E.)}

#### **Recommendation**

The Committee note that within a year of installation, at a cost of Rs. 1.65 lakhs the weighbridge at Bhaga had to be closed down because of declining trend of traffic. The closing down was expected to result in an annual saving of Rs. 1.78 lakhs. The weighbridge was, however, re-opened in October, 1969 as its closure had 'generated complaints about inordinate delay in weighment and issue of railway receipts' for the wagons weighed at neighbouring station Bhojudih.

It is obvious from the facts of the case that the economy aspect of the installation of a 100 ton weighbridge or its re-opening after closure was never considered. The 100 ton weighbridge was installed at Bhaga because there was no other suitable place for installing the weighbridge which had already arrived. It was re-opened because its closure had given rise to some complaints.

The Committee are of the view that the installation of the 100 tons weighbridge was not indispensable and could have been avoided on economic considerations.

[S. Nos. 68 to 70 of Appendix IX, Paras 4.48 to 4.50 of the 11th Report of the P.A.C. (5th Lok Sabha)].

#### **Action Taken**

The observations of the Committee are noted.

This has been seen by audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11 dated 16-3-72].

#### **Recommendation**

The Committee note that only a small percentage of the quantities of quarry products collected each year was trained out directly from the river

bed. The average of 10 years comes to about 34 percent only. The rest of the quarry products had had to be carted to the high grounds in any case during all these years.

From the information made available to the Committee it is noted that the comparative cost of carting the products to the high grounds is considerably lower than the cost of training out of products directly from the river bed. The Railway Board have admitted that this aspect had not been considered earlier although this system had been in operation for a very long time. In the circumstances, the Committee would suggest that a thorough study be made about the economics of carting the products to high grounds *vis-a-vis* laying of siding in the river bed and the position reviewed in the light of the findings.

[S. Nos. 71-72 of Appendix IX, paras 4.61 & 4.62 of 11th report of the P.A.C. (5th Lok Sabha).]

#### Action Taken

The observations of the Committee are noted.

As desired by the Committee, a detailed study has been made about the economics of carting the quarry products to high ground *vis-a-vis* laying of siding in the river bed covering the period from 15th August, 1960 to 16th August, 1969. A statement showing the results is enclosed.

It emerges from the study that economics of laying of siding depends upon the following:—

- (i) The cost of temporary siding.
- (ii) Utilisation of temporary sidings which are laid in the river bed.
- (iii) Utilisation of temporary sidings which are laid in the river bed.

While planning for laying of temporary siding if the ratio of the cost of siding to the cost of carting of total quarry materials is less than the ratio between materials planned to be directly trained by material train to the total quantity to be supplied, the laying of the siding would be economical.

Necessary instructions have been issued to the Railways *vide* letter No 71-B(C)-PAC/V/11(71-72) dated 24th March, 1972 (copy enclosed).

The N. F. Railway have advised that no siding was constructed during the years 1969-70 and 1971-72 and no operation was done during 1970-71. The N. F. Railway have been directed that the construction of the siding need be undertaken only if it is found to be economic.

This has been seen by audit who have stated as under:—

"The facts stated in the concluding sub-para of the action taken note on para 4.62 are under verification by Chief Auditor, Northeast Frontier Railway and a further communication will follow."

[Ministry of Railways (Rly. Board) O.M. No. 71-BC-PAC/V/11 dated 20th June, 1972/30th Jyaishta, 1894.]

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

(Railway Board)

No. 71-BC-PAC/V/11(71-72).

Dated March, 1972.

The General Manager,  
Northeast Frontier Railway,  
Maligaon, Gauhati.

SUB:—*Recommendations No. 72 of the 11th Report (1971-72) on Para 24 of the Audit Report (Rlys.) 1970 regarding loss due to construction of uneconomic quarry siding at Behubar.*

REF:—*N. F. Rly. letter No. PNO AJ/69/10/10 dated 3rd February, 1972.*

While laying temporary siding in the river bed for quarrying operations and for directly training the materials during the non-monsoon period, it is necessary to work out the economics of laying of temporary sidings *vis-a-vis* the carting of the entire products to a high ground where from it could be trained throughout the year. Although it may be true that quarry sidings on a river bed may be an essential adjunct to a riverine quarry, it should be necessary to plan the sidings in such a way so as to facilitate not only the expenditures training of materials but also to ensure that it would be economical on the whole, in the ultimate analysis.

2. The Railway Administration should, therefore take into consideration the following factors before contemplating to provide quarry sidings in the river bed:—

(i) The cost of laying temporary sidings.

(ii) The cost of carting the total quantity of quarried products to the high ground.

(iii) Utilisation of the temporary sidings laid in the river bed for direct training out of the materials.

3. As is evident for a quarry siding to be economical, the ratio of the cost of temporary siding in the river bed to the cost of carting the total quarried materials to a high ground should be less than the ratio between the materials planned to be directly trained out from the bed of the river to the total quantity to be trained out. The Railway Administration should, after taking into account the economics of laying of the siding in the river bed, decide the issue as to whether laying of temporary sidings in the river bed, would be economical or not.

4. Receipt of this letter may be acknowledged.

Sd./-

**KALICHARAN,**

*Director, Civil Engineering,  
Railway Board.*

D.A. Nil.

No. 71/BC-PAC/V/11(71-72).

Dated March, 1972.

Copy to General Managers, All Indian Railways (except N. F. Railway) for information.

Sd./-

**KALICHARAN,**

*Director, Civil Engineering,  
Railway Board.*

D.A. Nil.

No. 71-BC-PAC/V/11(71-72).

Dated March, 1972.

Copy to A.D.A.I. (Rlys.) with 45 spares with reference to Recommendation No. 72 of the 11th Report of the P.A.C. (5th Lok Sabha).

Sd./-

**KALICHARAN,**

*Director, Civil Engineering,  
Railway Board.*

D.A. Nil.

*Statement showing relative economics of laying temporary sidings in the Railway Quarry at Bihuber and carrying the total collection of quarry products from the river bed to high ground*

Description of works	YEARS										
	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	
	1	2	3	4	5	6	7	8	9	10	11
<b>I. Cost of laying sidings</b>											
1.0 Length of the sidings laid metre		1273	716 metre	1096 metre	1096 metre	906 metre	906 metre	860 metre	860 metre	920 metre	660 metre
2.0 Cost of laying sidings											
2.1 Cost of construction and dismantlement of the sidings. Work done by Contractor (Actuals)	Rs. 20061.00	19221.00	33522.00	27077.00	17677.00	13332.00	56698.00	61652.00	157167.00	103925.00	
									-61000.00	-41000.00	
2.2 Cost of departmental labour (P. way gangs) (Actuals)	5264.00	7192.00	7059.00	6264.00	6069.00	4925.00	6583.00	5872.00	96167.00	62925.00	
2.3 Depreciation on P. way (recoverable materials).	3815.00	2146.00	3285.00	3285.00	2715.00	2715.00	2577.00	2577.00	8612.00	8359.00	
2.4 TOTAL	Rs. 29140.00	28559.00	43866.00	36620.00	26461.00	20972.00	65858.00	70101.00	107586.00	73262.00	
2.5 Departmental charges @ 12 1/2% on the total cost.	3642.00	3570.00	5483.00	4578.00	3308.00	2621.00	8232.00	8763.00	13448.00	9157.00	
2.6 Grand Total	32782.00	32129.00	49349.00	41201.00	29769.00	23593.00	74090.00	78864.00	121034.00	82419.00	

	1	2	3	4	5	6	7	8	9	10	11
Actual carting to high ground paid to the contractor in addition to the construction of siding.											
(a) Quantity carted	No carting paid to the contractor	No carting	No carting	No carting	No carting	No carting	345541 Cft	545797 Cft	679086 Cft	14 0006 Cum	16296 Cum
(b) Amount paid	Nil	Nil	Nil	Nil	Nil	53075.00	86523.00	108651.00	97128.00	104865.00	
(c) Quantity unloaded on the high ground from the B. T. by the contractor	347363 Cft.	237022 Cft.	288332 Cft.	233906 Cft.	161535 Cft.	—	128785 Cft.	—	—	—	—
(d) Amount paid to the contractor for (c) above.	Rs.9420.00	Rs.5929.00	Rs286.00	Rs.5099.00	Rs.1761.00	—	Rs.5151.00	—	—	—	—
Total (I) & (II) Estimated cost of carting the total supply from river bed to high ground.	Rs.42202.00	38058.00	55635.00	46303.00	31530.00	76668.00	165764.00	187518.00	218162.00	187294.00	
1. Quantity supplied	1178721 Cft.	854814 Cft.	805999	927035 Cft.	569212 Cft.	717559 Cft.	844451 Cft.	879114 Cft.	64 660 Cum	722821 Cft.	22346.04 Cum
2. Cost of carting the quantity supplied during the year on the basis of leads involved in actual carting paid to the contractor during the year.	142647.00	84173.00	70283.00	80837.00	49635.00	110217.00	132396.00	140658.00	120016.00	143801.00	
Difference between (II) and (III)	(1) 100445	46115.00	14648.00	34534.00	18105.00	33549.00	-33368.00	-46860.00	-988146.00	-43483.00	



### Recommendation

The Committee note that the main consideration for providing a 'Fly-over' in Naihati Yard was the anticipated increase in coal traffic which was expected to increase from 882 wagons in 1962 and 982 wagons in 1962-63 to 1280 wagons at the end of the Third Five Year Plan *i.e.*, by March, 1966. From the information furnished to the Committee, it is however, seen that in February, 1966 when the abstract estimates were sanctioned, the daily average was 851 loaded wagons and in June, 1966, when the tenders were called this figure stood at 796 wagons only. Again in February, 1967, when the contract was awarded, the daily average was of the order of 859 wagons only. The Committee feel that in view of the considerable disparity between forecasts and actual materialisation of coal traffic reappraisal of the need for the work was called for which was unfortunately not done at the appropriate time.

The Committee trust such lapses will not be allowed to recur. The Committee would also like to be apprised of the outcome of the arbitration proceedings currently in progress on the contractor's claim.

[Recommendation Sl. Nos. 73 and 74 of Appendix IX, paras 5.17 & 5.18 of 11th Report of PAC (5th Lok Sabha).]

### Action Taken

The observations of the Committee are noted. Necessary instructions have also been issued to the Railways in Ministry of Railway's letter No. 71-B(C)-PAC V/11(73-74) dt. 11/12-11-71 (copy enclosed).

The observations of the Committee are noted. The Joint Arbitrators have awarded a sum of Rs. 19,850 in favour of the claimant contractors in full and final settlement of all their claims.

This has been seen by Audit.

[Ministry of Railways (Rly. Board) O.M. No. 71-B(C)-PAC/V/11 dt. 7-2-1972. (18, Magha, 1893.)]

Copy of Railway Board's letter No. 71-B(C)-PAC/V/11(73-74) dated 12-11-1971 to all Indian Railways etc., etc.

*SUB:—Recommendation Nos. 73-74 of the 11th Report of the P.A.C (71-72) on para 25 of Railway Audit Report 1970—Eastern Railway—Abandonment of a work after incurring heavy expenditure.*

In the audit para referred to above the case of a work of providing a 'fly over' at Nihatī, sanctioned at a cost of Rs. 63 lakhs to deal with

1280 wagons of coal in down country direction at the end of the Third Plan and to facilitate cross movement of passenger and goods trains has been commented upon.

At the time of sanctioning the estimate, in February, 1966, the coal loading was considerably lower than the estimated target and continued to be so even when the tenders were invited in June, 1966, and the contract was awarded in February, 1967. Due to the Indo-Pak conflict there was a drop in coal loading in the down country direction since September, 1965, and this trend continued. The work was, however, scaled off in November, 1967, on account of decline in trend of coal loading.

The Public Accounts Committee pointed out that, in view of the considerable disparity between forecast and materialization of coal traffic, a reappraisal of the work was called for which was not done at the appropriate time. The Committee have recommended that such lapses should not be allowed to recur.

The Board desire that the recommendation of the Committee may be noted for future guidance and it should be ensured that in such cases all the relevant factors are taken into account before tenders are accepted.

### **Recommendations**

The Committee observe that the requirement of earthwork as also the availability of earth in the railway borrow pits was not properly assessed when the abstract estimate was sanctioned. The difference between the approximate estimates of earthwork in the sanctioned abstract estimate and the final estimate based on cross section measurements alone is of the order of 22 lakhs cft. In all there was an under estimation to the extent of 96 lakhs cft. of earthwork, for which a fresh contract at higher rates involving additional expenditure of Rs. 9.5 lakhs had to be given.

Since the work on the Wadi Yard remodelling scheme already sanctioned in May, 1962 was under execution in phases, it is reasonable to expect that the implications of this scheme should have been foreseen by the Railway Administration before the doubling project was finalised in January, 1964.

The Committee cannot resist the conclusion that the extra expenditure of Rs. 9.5 lakhs could have been reduced if a proper and realistic assessment of the work involved had been made before awarding the contracts for earthwork in 1964.

### Action Taken

The observations of the Committee are noted.

This has been seen by Audit.

[Ministry of Railways (Railway Board)'s O.M. No. 71-B(C)/PAC/V/11 Dated: 14-1-1972/24 Pausa, 1893.]

### Recommendations

The Committee observe that the economics of different kinds of gradients had not been carefully considered by South Central Railway. One of the main considerations for easing the gradient was to enable steam locomotives to haul a full train load of 2250 tons without banking. From the statistics furnished to the Committee, it is seen that during the period from April, 1964 to August, 1969 the average gross load hauled never exceeded 1600 tonnes for a train hauled by steam engine and 1900 tonnes for a train hauled by diesel engine. The gradient of 1 in 200 was found quite adequate for haulage of trains with this much of load.

The Committee feel that if a proper assessment of the traffic requirements had been made, it could have been possible initially to plan a gradient of 1 in 200 instead of 1 in 250. That would have avoided the extra expenditure of Rs. 4.88 lakhs incurred on the provision of wider banks to suit the gradient of 1 in 250.

The Committee would like to stress the need for extra caution and abundant care in planning of such works in future.

[S. No. 78—80 of Appendix IX, Paras 5.40, 5.41 & 5.42 of 11th Report of PAC (5th Lok Sabha)]

### Action Taken

The observations of the Committee are noted.

Para 5.42. Instructions have been issued to the Railways vide Ministry of Railways (Railway Board)'s letter No. 71-B(C)-PAC/V/11 78-80 dated 28-9-71 (Copy inclosed).

This has been seen by Audit.

[Ministry of Railways (Rly. Board) O.M. No. 71-B(C)-PAC/V/11 dated 14-1-72/24 Pausa, 1893.]

(BHARAT SARKAR)  
(RAIL MANTRALAYA)

GOVERNMENT OF INDIA  
MINISTRY OF RAILWAY  
(Railway Board)

No. 71-B(C)-PAC/V/11/78-80.

New Delhi, the 28th September 1971

To

The General Managers  
All Indian Railways.

SUBJECT:—*Recommendation No. 78-80 of the 11th Report of the P.A.C. (1971-72) on para 27 Audit Report (Railways) 1970—South Central Railway—Avoidable expenditure on earth work.*

While examining the case referred to in para 27 of Audit Report (Railways) 1970 in which earth work was completed for providing a gradient of 1 in 250 in a doubling work but subsequently the line was completed with a gradient of 1 in 200 for a stretch of about a mile, first as a temporary measure and later as a permanent measure following the introduction of diesel traction in the section, the Public Accounts Committee have observed that if a proper assessment of traffic requirements had been made, it would have been possible initially to plan a gradient of 1 in 200 instead of 1 in 250 and that would have avoided the extra expenditure of Rs. 4.83 lakhs incurred on the provision of wider banks to suit the gradient of 1 in 250. They have also stressed the need for extra caution and abundant care in planning of such works in future.

2. The Board have already laid down *vide* the letter No. 6S/W4/CNI/O'S dated 5th October, 1968 that in respect of all line capacity works including doubling, costing over Rs. 20 lakhs each, a traffic survey, works study should be carried out to assess correctly the requirements for moving the anticipated traffic. The Board desire that the observations of the P.A.C. in this case should also be kept in mind with a view to avoid unnecessary expenditure.

Sd.  
Joint Director Works,  
Railway Board.

No. 71-B(C)-PAC/V/11/78-80.

New Delhi, dated the September 1971.

Copy, with 45 spares, forwarded for information to ADAI (Rlys.), New Delhi.

Sd.  
Joint Director Works,  
Railway Board.

Copy to W-5 (in duplicate)

### Recommendation

The Committee regret to observe that the work planned in 1957-58 to be executed at a cost of Rs. 35.38 lakhs was completed after 10 years by incurring expenditure which was more than double the amount initially estimated. Besides the increased cost, the Railway Administration continued to incur an expenditure of Rs. 94,000 per year towards the cost of staff which was expected to be reduced after the commissioning of the works.

From the information made available to the Committee, it is seen that there was inordinate delay at every stage of planning and execution of the work. It took the Administration four years before the abstract estimate for the work was sanctioned. After the tenders had been accepted, the Administration took 6 months in placing the contract. Again although the contract was awarded in April, 1962 the Contractor could not commence the work before August, 1964 due to non-finalisation of the plan. Even this plan was modified after two months and the final plan was given to the contractor only in May, 1965. The Administration took five months more in determining the additional requirements of material consequent on the revision of the plan and another 9 months in executing the new agreement with the contractor.

The Committee feel that if the Project to replace the system of mechanical operation of points and signals with Route Relay Interlocking at Delhi main Station had been properly conceived and planned, at least some of the changes subsequently made could have been anticipated and provided for reducing thereby the inordinate delay in the execution of the work and the expenditure on staff.

[S. Nos. 81 to 83 of Appendix IX Paras 5.57 to 5.59 of 11th Report of the P.A.C. (5th Lok Sabha)]

### Action taken

The observations of the Committee are noted. The chronological summary of the main events already furnished to the Committee indicate broadly the time taken for each aspect of the execution of the work. The Railway Board would submit that this work was the first of its kind on the Northern Railway and the Railway had to ensure that the work as executed would take into account the changes in yard layout likely to become necessary in the near future so that alterations to the route relay interlocking immediately after commissioning could be avoided. The consequent delay in the progress of the work has, however, been inordinate and efforts could have been made at higher levels of the Northern Rail-

way Administration to compress the total period of delay by bringing together concerned departments for discussion and finalisation of the outstanding technical points. This aspect has been specifically brought to the notice of the Northern Railway as well as other Railways, with a view to ensure that major projects before they are taken up are properly conceived and planned so that subsequent changes and resultant delays in the execution of the work are avoided.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11 dated 10th April, 1972/18, Chaitra, 1893.]

### Recommendation

The Committee note that the estimates which envisaged creation of capacity at Lunding Yard to receive and deal with 1040 wagons per day had been sanctioned in December, 1963 and the original plan for remodelling of Badarpur Yard providing 8 shorting lines with ancillary facilities was finalised by the Railway Administration in August, 1965. The estimate for the Badarpur Yard remodelling work was sanctioned in December, 1966 and the contract costing Rs. 10.37 lakhs was awarded in March, 1967. The contract was terminated in August, 1967 after a portion of work valuing Rs. 79,000 had been done.

The Committee regret to observe that the Railway Administration failed to make a realistic appraisal of their requirement in January, 1967 when the new yard at Lunding was commissioned. They proceeded with the awarding of the contract for the Badarpur Yard remodelling work in March, 1967, without taking into consideration the fact that following the commissioning of the Lunding Yard trains marshalled therein could by-pass Badarpur Yard. The decision arrived at in August, 1967 for terminating the yard remodelling work could well have been taken in January, 1967 itself.

The Committee are also unhappy to note that work awarded in December, 1964 in connection with the construction of a goods shed was ultimately dropped in September, 1967 for want of traffic justification. Although the project was ostensibly dropped on grounds of economy, from the information made available to the Committee it appears that there was hardly any justification for the provision of a shed at Badarpur. The Committee would like to emphasise that such projects should be undertaken only after most careful planning and taking all relevant factors into account.

[S. Nos. 84 to 86 of Appendix IX, paras 5.75 to 5.77 of the 11th Report of the P.A.C. (5th Lok Sabha)].

**Action taken**

The observations of the Committee are noted.

The observations of the Committee are noted. The Railway has brought to the notice of all concerned for ensuring that projects are undertaken only after most careful planning and taking all relevant factors into account.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11 dated 16th March, 1972].

**Recommendation**

5.86. The Committee find that there was no overriding justification for making a departure from the standard conditions of contract and practice under which the use of 'bazar' cement was prohibited in works executed through the agency of contractors. They are not convinced by the explanation that the Administration would have been called upon to incur extra expenditure on storage depots if they had undertaken to supply Railway cement to the contractor. The average quantity of cement used on the works referred to in the para. each year comes to about 2,500 tonnes. This much of cement could have been issued from the three cement depots already existing and two more depots set up at Devlali and Pachora which according to Railway Board did not have any transport facilities for delivery of cement to the contractors. Such an arrangement, besides avoiding an extra expenditure of Rs. 93,445 on account of Sales Tax would have ensured that 'bazar' cement which is prohibited was not used by the contractor. The Committee are of the view that deviation from the prescribed procedure should not be resorted to unless there are compelling circumstances to warrant other action.

[S. No. 88 of Appendix IX, Para 5.86 of 11th Report of the PAC, (5th Lok Sabha)]

**Action taken**

The observations of the Committee have been brought to the notice of the Railway Administrations concerned with the Railway Electrification works.

This has been seen by Audit.

[Ministry of Railways (Rly Board) O.M. No. 71-BC-PAC/V/11 dated 14-1-1972/24 Pausa, 1893]

### Recommendation

The Committee are distressed to observe that although the work had been sanctioned under urgency certificate there was undue delay in finalisation of yard plans and bridge drawings. While the work was to be completed by March, 1960, the last drawing was finalised only in November, 1960. Because of this the contractor had to be given two extensions for completing the work.

[S. No. 89 of Appendix IX, Para 5.97 of the 11th Report of the PAC (5th Lok Sabha).]

### Action taken

The observations of the Committee are noted.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11, dated 16-3-1972.]

### Recommendation

The Committee observe that facilities at cost of Rs. 6.58 crores were provided by the Southern Railway in the Guntakal-Hospet section in order to cope with the anticipated traffic of 2 million tonnes of ore. The actual traffic materialisation over a number of years was far below the anticipated figure with the result that facilities provided were not fully utilised.

The Committee feel that adequate attention was not paid by the Railway Administration to the scrutiny of the traffic estimates put forward by the Minerals and Metals Trading Corporation and as has been admitted by the Chairman, Railway Board, they were guided more by optimism than by the actuality of the position then obtaining. The Committee have made some recommendations on this aspect elsewhere in the Report, which they would like to be considered by Railway Board.

[S. Nos. 91 & 92 of Appendix IX, paras 6.27 & 6.28 of the 11th Report of the PAC (5th Lok Sabha).]

### Action taken

The observations of the Committee are noted.

The observations of the Committee are noted. The recommendation made in para 6.55 is being dealt with separately and a reply is being submitted.

This has been seen by Audit.

[Ministry of Railways (Rly. Board) O.M. No. 71-B(C)-PAC V/11 dated 10-4-1972/18, Chaitra 1893.]



### Recommendation

From the facts placed before them the Committee cannot help feeling that from the very beginning the assessment made by the Railway Administration regarding additional traffic consequent on the setting up of the Neyveli Lignite Project was anything but realistic. The estimate of the traffic furnished by the Neyveli Lignite Corporation (NLC) turned out to be highly inflated in as much as against 205 wagons per day anticipated to be moved, the actual traffic moved was a mere 30 to 35 wagons. On top of this, the Railways on their part instead of critically examining the position planned to develop rail capacity for 240 wagons per day, that is 35 wagons more than estimated by N.L.C. The Committee are not inclined to accept the Railway Board's statements that 'the prospects of traffic likely to be offered by the NLC for transport by rail were assessed after detailed discussion with concerned authorities at different levels' and 'the position was under constant watch by the Administration.' Had this been done, the traffic forecast would not have gone so completely wrong. When the assessment was first made during 1963, the production in the NLC had not started and taken shape and hence the targets as given by the Project authorities should have been treated as tentative to be subjected to continuous review in the light of the actual trends of production and traffic offerings. The Committee regret that no reviews were made until 1968 when it was too late as almost all the works had been completed. Thus rail programme was not coordinated and correlated to the production levels reached in the NLC and the actual materialisation of traffic from year to year was not kept in view. Had adequate caution been exercised the wide gap between the actual traffic and that anticipated in December, 1964 and March, 1966 would have suggested to the Railway Administration the need for a reappraisal of the position. It does not behove a commercial organisation like the Railways merely to accept the statement/assessment of the other public undertakings without a critical scrutiny of the position. It was clearly the duty and responsibility of the Railways to have promptly reduced or revised and not relied upon the advice of the Deputy General Manager/T&W of NLC in January, 1965 to the effect that their production would be ready for movement from about June 1965.

The Committee also note that a substantial portion of the output of the NLC was moved out by road transport. This aspect, however, appears to have been completely lost sight of when the estimates of anticipated traffic were worked out by the Railway Board. The Committee would stress that in the process of assessment of the traffic the impact of road transport on the Railway's share of goods traffic should be constantly kept in view. The Committee cannot resist the conclusion that the entire planning of the work was faulty and unrealistic.

The Project authorities are equally at fault in-as-much as they exaggerated their production estimates. By any standard, the figures given out by the Project authorities were too optimistic and far from being realistic and reasonable.

The general question as to how the proposals emanating from Public undertakings/private bodies etc. for provision of new/additional facilities should be scrutinised by the Railways before agreeing to provide such facilities deserves special attention. The Committee are informed that the traffic estimates given by various departments/Ministries are being thoroughly scrutinised by the Railway Board in association with the Planning Commission. Besides this the financial arrangement with the intending parties is now governed by Codal provisions. While the Committee note that attention is now being given to the proper scrutiny of the initial estimates of traffic, the Committee feel that it would be worthwhile if some procedure is evolved under which periodic assessment of traffic materialisation *vis-a-vis* the progress in the execution of the capacity works is carried out as a matter of regular practice. In this connection the Committee would like to make a reference to the observations contained in para 1.24 of their 22nd Report (Fourth Lok Sabha) which reads as under:

“It is not businesslike for a commercial organisation like the Railways merely to accept the statements/assessments of other Ministries without critically examining the position themselves. Even when estimated traffic was not forthcoming, the Ministry of Railways did not promptly reduce or revise the programme merely because everybody was confident that they would produce the goods”.

[S. Nos. 94 to 97 of Appendix IX, Paras 6.52 to 6.55 of 11th Report of the PAC (5th Lok Sabha).]

#### Action taken

The observations of the Committee are noted.

The following reply has been furnished by the Ministry of Steel and Mines (Department of Mines):

“The estimates of wagon requirements was drawn up by the Corporation on the basis of the available data *viz.* contracted figures regarding the rated capacity of the respective Plant and after giving allowance for transport by road at about 25 per cent of

the production estimates. The following table gives the detailed break-up of the figures.

Name of material	Rated Capacity of Pdn. (daily tonnes)	Quantity assumed for movement by rail	Estimate of Wagon requirement	
			Average (daily)	Maximum daily loading according to seasonal fluctuations
1. Fly Ash	240 to 320	about 75% of Col. 2	15	25
2. Urea	500	75% of Col. 2	36	70
3. Loco	1210 430	Do.	55	90
Bagged			55	90
Loose Char fines			30	45
4. Liquid Products	210.7		13	19
5. Clay			1	2
			205	341

At the time the estimate was drawn up, we had no reason to presume the production in the plants would not reach the rated output. At the same time, it was duly recognised that the time limit of 6 months set out by the Railway Board for the building up of the traffic to the estimated level was too short and that the project could not be expected to reach full production stage in less than 2 years. Nevertheless, the marshalling yard facilities had to be built up taking into account the requirements at the full production stage.

It would, therefore, be observed that the production estimates of the Corporation were based on the contract figures only and as these estimates were drawn up, as a forward planning for purpose of providing marshalling yard facilities at the time of the plants were being erected, the Corporation rightly relied upon the rated capacity of the Plant. In the circumstances, the figures given by this project may not be considered too optimistic and unreasonable or exaggerated with reference to the facts then known and the reasonable expectations in that context. There has been a drastic fall in the requirement of wagons not only because of lower production in the various plants but also to some extent because the customers are taking a larger proportion of our products by road instead of by rail in view of continuous uncertainty in the matter of supply of wagons, pilferage en route, delay in movement and route restrictions for very long periods.

As explained during the discussion, the traffic estimates given by the various Ministries/Departments are now subjected to very close scrutiny

and at the highest level so as to ensure that the Railway investments required to be made are kept to the minimum. As regards periodic assessment of traffic materialisation *vis-a-vis* the progress of railway line capacity works, a similar recommendation was made *vide* para 1.50 of the 93rd Report of the P.A.C. (Fourth Lok Sabha) and instructions have been issued to the railways to undertake a periodic review of the progress of the works *vis-a-vis* the traffic offering, particularly in respect of works costing more than Rs. 20 lakhs to ensure that the scope of the work is suitably re-adjusted if necessary in the light of any change in the pattern of non-materialisation of traffic.

This has been seen by Audit who have remarked as under:

"Seen. The position stated in the action taken note against para 6.54 is under verification and further communication would follow."

[O.M. No. 71-B(C)-PAC/V 11 dated 20-6-72/Jyaishta 30, 1894.]

#### **Recommendation**

The Committee regret to observe that the instructions issued by the Railway Board in July, 1960 were not given effect to till 1st April, 1968. It appears the economics of the proposal was never given a serious consideration. The Eastern and Northern Railway Administrations succeeded in thwarting the implementation everytime the matter was raised by the Railway Board. The Committee fail to understand why suitable arrangements for stabling the dining car at Mughalsarai and necessary arrangements for detaching it at Mughalsarai could not be made earlier.

The Railway Board should ensure that all proposals aimed at curbing avoidable expenditure are implemented expeditiously.

[Recommendations Sl. No. 98-99 Paras 7.7 and 7.8 of the 11th Report of PAC (5th Lok Sabha).]

#### **Action taken**

The observations of the Committee are noted.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)PAC/V/11 dated 14-1-1972 '24 Pausa, 1893.]

### **Recommendation**

The Committee note that in 13 cases goods traffic is being hauled by routes other than the shortest routes because the latter were either not properly developed or are uneconomical in operation. From the information furnished to the Committee, it is seen that in some cases the cost of operating a longer route is more than what it should be if this traffic is diverted to the shortest route. In such cases it has been pleaded that the additional cost involved in developing the shortest route would far outweigh the additional cost being incurred in the haulage of goods traffic by longer routes. The Committee desire that Railway Board should keep the position under constant review and watch the economy aspect.

The Committee feel that Railways have been using BOX wagons for quite some time and it should now be possible for them to devise measures to obviate the admittedly undesirable practice of return of loaded BOX wagons to the point of their origin. The Committee hope that the instance like the one referred to in the Audit para would not be allowed to be repeated.

[S. Nos. 102 & 103 of Appendix IX, paras 7.28 & 7.29 of the 11th Report of the PAC (5th Lok Sabha).]

### **Action taken**

The observations of the Committee are noted.

Instructions have been issued to the Railways against repetition of the irregularity of the type mentioned.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)/PAC/V/11 dated 20-6-1972/Jyaistha 30, 1894.]

### **Recommendation**

The Committee regret to note that there was a failure on the part of N.E. Railway in not following the orders of the I.R.C.A./Railway Board properly. This needs to be looked into with a view to fix responsibility.

[S. No. 104 of Appendix IX, para 8.9 of the 11th Report of the PAC (5th Lok Sabha).]

### **Action taken**

Necessary action is being taken to fix responsibility on the concerned staff of the Mechanical Department. The matter is still under progress.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)/PAC/V/11, dated 19-4-72.]

### Further Information

The Assistant Mechanical Engineer (Drawing) and Chief Mechanical Draftsman (C&W) who have been held responsible for lack of judgement have since retired from service in 1969 and 1965 respectively and therefore no action can be taken against them.

[Ministry of Railways Office Memorandum No. 71-B(C)/PAC/V/11, dated 14-8-1972].

### Recommendation

The Committee are informed that the under-charges during the period from April, 1963 to May, 1965 consequent upon wrong fixation of carrying capacities have been assessed for the three stations referred to in the para. The Committee would like that an assessment of the undercharges on other stations, if any, may also be made.

The Committee would also like to be informed of the action taken against the staff held responsible for the lapses which have resulted in financial loss to the Railways.

[S. Nos. 105 & 106 of Appendix IX, paras 8.10 & 8.11 of the 11th Report of the PAC (5th Lok Sabha).]

### Action taken

Action was taken by the railway to assess the undercharges at other stations for the period 1-4-1963 to 31-5-1965 and the position is indicated below:—

Name of station	Amount of under-charge	Remarks
1. Kaptainganj	46437.52	
2. Nawabganj-Gonda	6635.18	Undercharges for the period from 1-4-63 to 11-1-65 could not be worked out as the old records were sent to Gonda Office where these could not be traced.
3. Bahari		Invoices for the period in question are not available at the station. These were sent to Izatnagar office being old records where they were sold.

Disciplinary action has been initiated by issuing chargesheets to 15 station staff for minor penalties and 7 station staff for major penalties. The Divisional Superintendents concerned have been asked to progress the disciplinary action.

This has been seen by audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)PAC/V/11 dated 19-4-72/30, Chaitra, 1893].

#### **Further Information**

Out of 22 staff against whom disciplinary action was initiated, action against 15 staff has been finalised. The increment of 13 has been withheld for one to two years and 2 persons who are on the maximum of their scale have been punished with stoppage of the privilege of passes and P.T.Os for three years.

Of the remaining seven staff, one has since retired from service and action against six is still being progressed.

[Ministry of Railways Office Memorandum No. 71-BC-PAC/V 11, dated 14-8-1972].

#### **Recommendation**

The Committee are unhappy that even though instructions regarding freight charges on consignments booked in 'BFU' type well wagons, were notified in the Goods Tariff, these were not followed strictly by several Railway Administrations thereby resulting in considerable undercharges.

The Committee hope that sustained efforts will be made to recover all outstanding undercharges. At the same time it should be ensured that such lapses do not recur.

[S. Nos. 107 & 108 of Appendix IX, Paras 8.17 & 8.18 of 11th Report of the PAC (5th Lok Sabha)].

#### **Action taken**

The recommendations of the Committee are noted.

The observations of the Committee have been brought to the notice of the railways concerned and they have been asked to take effective steps

to recover the undercharges. The position of undercharges as on 30-6-71 and on 30-9-1971, on Railways is as under:

Railway	Undercharges      Outs'and- ing as on 30-6-71 and 30-9-71	
	As on 30-6-71	As on 30-9-71
Central	17,172	8,396
Eastern	1,22,796	1,17,493
Northern	9,504	1,980
Southern	48,222	12,980
South Central	95,663	34,490
South Eastern	3,53,655	3,23,683
Western	3,944	3,944

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-BC-PAC/V/11 dated 24-4-1972, 4. Vaishakha, 1894 S.E.I.]

### Recommendation

The Committee would like to be apprised of the action taken against the staff found responsible for delay in the notification of the revised distance between Sion and Kasganj stations consequent on realignment of the line.

[S. No. 109 of Appendix IX, Para 8.22 of the 11th Report of the P. A. C. (5th Lok Sabha)].

### Action taken

The question of responsibility of the staff of the Civil Engineering and Commercial Departments for delay in the notification of the revised distance has been examined. So far as the Civil Engineering Department is concerned, it has been found that although the Dy. Chief Engineer (Works) passed order for adopting the increased distance, prompt action was not taken by the District Engineer (Metric) who was prima facie responsible for delay from 26th August, 1966 to 13.9.66 and again from 14 September, 1966 to 14th October, 1966. The District Engineer (Metric) has however retired on 31st May, 1968 and it would not be possible to initiate any action against him.



In regard to the staff for the Commercial Department, the following staff has been held responsible:

- (i) Head Clerk/Rates Publication Section
- (ii) Junior Clerk to whom the work relating to the notification was allotted, and
- (iii) Office Superintendent/Rates Section.

The Head Clerk concerned had retired on 23rd April, 1969 and as such no action against him is possible. The Office Supt. Rates section has been punished with withholding of promotion to higher post for one year and the junior clerk working as senior clerk since 6th January, 1967 has been punished with withholding of increment temporarily for 6 months.

[Ministry of Railways (Rly. Board) O.M. No. 71-B(C)-PAC/V/11  
This has been seen by audit.

dt. 17th April, 1972/26, Chaitra, 1893.].

#### **Recommendation**

The Committee note that instructions have been issued to all the Railways to tighten up their supervisory machinery. They hope that the instructions would be strictly implemented.

The Committee note Rs. 3,16,547 out of Rs. 4,69,218 raised on account of undercharges pointed out by audit have been recovered. They desire that vigorous efforts should be made to recover the balance outstanding.

The Committee would like that the exhaustive review stated to be in progress, should be completed expeditiously and steps be taken to recover the undercharges, if any, assessed after the review.

[S. Nos. 110-112 of Appendix IX, Paras 8.28 to 8.30 of 11th Report of the P.A.C. (5th Lok Sabha.)]

#### **Action taken**

The observations of the Committee are noted. These have been brought to the notice of the railways. Some of the railways have stated that in some cases further undercharges have been detected and the progress in respect of the recovery is being closely watched. The railways have been asked to review the cases and advise the Board of the position. The Committee are assured that the matter will be pursued with the railways for recovering the under-charges as early as possible.

This has been seen by audit.

[Ministry of Railways (Rly. Board) O.M. No. 71-B(C)-PAC/V/11 dated  
16th March, 1972.]

### **Recommendation**

The Committee are not satisfied with the explanation given by the Railway Administration that caustic embrittlement of boilers in 1964 was so wide-spread that the problem had to be tackled on a war footing by setting up a field organisation of water treatment. Khalasis and the Khalasis were withdrawn after the position had stabilised. It is well-known that chemical treatment is a preventive measure to obviate caustic embrittlement and if this treatment had been introduced as a regular measure and applied at all the watering stations round the year from 1961 itself by entrusting the work to existing traffic staff and fitting dosing gears extensively, the crisis would not have developed in 1964.

[S. No. 113 of Appendix IX, para 9.11 of the 11th Report of the P.A.C. (5th Lok Sabha)].

### **Action taken**

The observations of the Committee are noted.

This has been seen by audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11 (113-114) dated 7th February, 1972/18 Magha, 1893.]

### **Recommendation**

The Committee are unhappy to note that due to lack of an efficient organisation and system of collection, the Eastern Railway had to suffer a loss of Rs. 4.22 lakhs on account of short recovery of brass borings. It is regrettable that no fool proof procedure was evolved by the authorities in workshop for collection and accountal of the valuable material since 1965 when the machining of brass bearings was taken up by the workshop. Only after the loss had been pointed out by Audit, a Fact Finding Committee was appointed to look into the matter.

The Committee feel that whereas it may not be possible to fix responsibility for the past losses sustained efforts may now be made to implement the recommendations of the Fact Finding Committee so that there is no scope for any future loss.

From the information furnished to the Committee it is seen that in certain workshops the percentage of recovery is as high as 100 per cent but in the case of C&W Kanchrapara and Lallaguda workshops the recovery

percentage is much less. In order to ensure maximum collection, realistic standards of recovery of quantity of borings may be fixed in each workshop and adequate machinery should be evolved to have periodical checks and reviews at the appropriate level.

[S. Nos. 115 to 117 of Appendix IX, Paras 9.23 to 9.25 of the 11th Report of the P.A.C. (5th Lok Sabha)].

#### Action taken

The observations of the Committee are noted. The Eastern Railway have advised that the following steps have been taken to improve the percentage of recovery.

- (i) Closer supervision in the daily recovery of borings and investigating into any dropping trend for remedial measures;
- (ii) Nominating machines separately for non-ferrous and ferrous work to avoid mixing up ferrous and non-ferrous borings and swarf;
- (iii) Better arrangements made for the collection of non-ferrous swarf and borings at machines by the use of suitable deflection shields and getting them collected in canvas sheets or trays.

As a result of the above, the percentage of recovery has since improved as will be seen from the figures for three quarters given below.

(a) Quarter ending		Loco Shop	95.96%
30-9-1971		C & W Shop	99.7%
(b) Quarter ending		Loco Shop	95.6%
30-6-1971		C & W Shop	99%
(c) Quarter ending		Loco Shop	95.20%
31-3-1971		C & W Shop	91.40%

As desired by the Committee, a Circular has been issued to the railways asking them to fix a target percentage for each workshop, to arrange test checks and to review the position to progressively improve on the percentage of recovery *vide* Board's letter No. 69/M(W)/964/103 dated 17th February, 1972 (copy enclosed).

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11 dated 10th April, 1972/18 Chaitra, 1893].

GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS  
(Railway Board)

No. 69/M(W)/964/103.

*New Delhi-1, dated the 17th February, 1972.*

The General Managers,

All Indian Railways.

SUB. *Recovery of non-ferrous turnings/borings from Shop floors.*

REF. *The Board's letters of even numbers of the 31st January, 6th March, and 1st September, 1970.*

Your attention is drawn to Board's letters quoted above. Board desire that a target percentage be fixed for each Workshop jointly by the Chemist & Metallurgist and the Works Manager/Dy. C.M.E. of the Workshop concerned and this must be properly followed up. The procedures indicated in the letters referred to above also should be followed in detail and test checks organised to ensure that these are being correctly adopted.

2. The percentage of recovery fixed should at a maximum and attempts must be continued to progressively improve on this.

Sd-

Encl. Nil:

(H. H. MUKERJI),  
Dy. Director Mech. Engg. (P)I,  
Railway Board.

No. 69/M(W)/964/103.

*New Delhi, dated the 17th February, 1972.*

Copy with 45 spares forwarded for information to the ADAI (Railways), New Delhi. This has reference to Recommendation No. 117 of the 11th Report of the PAC (Fifth Lok Sabha).

Sd/-

Encl. as above.

(H. H. MUKERJI),  
Dy. Director Mech. Engg. (P)I,  
Railway Board.

### Recommendation

The Committee desire that the negotiations with the Ministry of Finance and Reserve Bank should be expeditiously pursued and a sound procedure may be evolved to minimise the holding and transportation of liquid cash.

The Committee desire that the progress of the cases stated to be *subjudice* should be watched and adequate action should be taken after the courts have given their verdict.

The Committee desire that efforts should be made to ensure that all such cases of loss of cash from the travelling cash safes and station staff, short receipt from the State Bank etc. are finalised quickly.

[S. No. 118, 119 & 120 of Appendix IX, Paras 9.30, 9.37 & 9.40 of 11th Report of the P.A.C. (Fifth Lok Sabha)].

### Action taken

The Committee observations are noted. It has already been arranged with the Reserve Bank of India so that remittance of station earnings locally into the Nationalised Banks at certain important places would be permitted. The Ministry of Finance has since issued necessary notification authorising Reserve Bank of India to appoint Nationalised Banks as their agents to receive deposits of Railway earnings at certain important Junctions.

Besides, in order to minimise handling of liquid cash, instructions have been issued to the Railways that

- (i) payment of freight charges in respect of traffic carried by container service can be accepted by cheque;
- (ii) non-gazetted employees not governed by payment of Wages Act may be permitted to have their pay deposited directly in a bank, if they so choose; and
- (iii) earnest money for works contracts etc., may be accepted in the form of Demand Draft, Deposits, Receipts etc., in lieu of cash

The observations of the Committee are noted. The Railways have been instructed to furnish monthly reports so that an effective watch can be kept on finalisation of cases.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11 dated 21st February 1972/2 Phalguna 1893].

### **Recommendation**

The Committee view with concern the increasing amount of losses adjusted each year in the Appropriation Accounts. The amount of Rs. 3.43 crores adjusted towards losses during 1968-69 was in fact the highest ever recorded in the last 9 years. It is seen that though the number of accidents are showing a declining trend, the amount of loss during 1968-69 as compared to 1967-68 was much more in all cases such as losses on account of accidents, thefts, fires etc.

[S. No. 121 of Appendix IX, Para 9.56 of the 11th Report of P.A.C. (Fifth Lok Sabha)].

### **Action taken**

The observations of the Committee are noted and Indian Railways etc. have been advised suitably.

2. It is stated that the aggregate amount of losses adjusted during 1969-70 was Rs. 3.22 crores as compared to Rs. 3.43 crores for 1968-69.

This has been seen by audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)/V/11(121), dated 14th January, 1972/24 Pausa, 1893].

### **Recommendation**

The Committee find that there are still a large number of recommendations of the Railway Accidents Inquiry Committee, 1968, which are awaiting implementation. They should be processed expeditiously and implemented without further loss of time.

[S. No. 122 of Appendix IX, Para 9.57 of 11th Report of the P.A.C. (5th Lok Sabha)].

### **Action taken**

In all there are 729 observations and recommendations contained in both the parts of the report of the Railway Accidents Inquiry Committee. Of these, 190 are in the nature of observations and 539 in the nature of recommendations. Of the recommendations, 382 (including 74 which are in conformity with the policy or practice in vogue) have been accepted and another 29 partially accepted. 63 recommendations have not been accepted. The remaining 65 recommendations are still under examination and are by their nature such as require detailed examination of their implications either by the Ministry of Railways themselves or in consultation with

other authorities. It would take some time before the Government's views on these recommendations are finalised. Further action for early finalisation of views on these recommendations is being pursued.

Of the 411 accepted recommendations (including those partially accepted), 250 have since been implemented. On the remaining (161) items action along the lines of views of the Ministry of Railways (Railway Board) has already been initiated and the implementation of these recommendations is being closely watched.

This has been seen by audit.

[Ministry of Railway's (Rly. Board) O.M. No. 71-B(C)-PAC/V/11, dated 7th February, 1972/18th Magha, 1893].

### Recommendation

The Committee are also unhappy to note that the incidence of fires on the Central Railway has not been adequately investigated.

The Committee fully endorse the following observation made in the Railway Accidents Inquiry Committee Report *viz.* "We are unable to see any special reasons why the Central Railway should be less able to locate the causes of fires in passenger trains than its other counterparts and should accept the position with complacency."

[S. No. 124 of Appendix IX, Para 9.59 of the 11th Report of the P.A.C. (5th Lok Sabha)].

### Action taken

Presumably, while referring to the inadequacy of investigation into the incidence of fires on the Central Rly., the Committee had in mind the observations made by the Wanchoo Committee in para 117 of Part I of their Report, which was based on the analysis of the cause of fires in passenger trains on different railways during the years 1963-64 to 1967-68 as given in Table 24 of the said Report.

In this connection it may be mentioned that in quite a large number of cases of fires, most of the evidence is destroyed by the fire itself thus rendering an unequivocal statement of the causes impracticable. In such cases, the investigations have to depend chiefly on indirect and circumstantial evidence and the causes have invariably to be presumed. On the Central Railway, the practice then prevailing was that in case of fires in trains the cause of fire, unless it was definitely determinable, was listed as unknown. This position was reviewed in April, 1969, and it was decided that when it is not practicable to come to a definite conclusion based on

direct evidence, the most probable cause should be ascertained based on the circumstantial evidence available. It has also been decided that the part of the enquiry report referring to the probable cause, should be given as a separate document marked 'Confidential'.

With the change in procedure in regard to recording the causes of fire in trains, the position of the Central Rly., has altered considerably in that during the 3 year period 1968-69 to 1970-71, out of a total of 28 cases of fires in passenger trains, the Central Railway could not determine the causes in 7 cases only which works out to 25 per cent against an average of 65.6 per cent of such cases during the period 1963-64 to 1967-68 taken into account by the Wanchoo Committee.

It will thus be seen that the position then obtaining on the Central Railway arose, not because the investigations into cases of fires in trains on that Railway were less thorough or objective, but because according to the practice then prevailing, the investigating officers were disposed ~~not~~ to base their findings on circumstantial evidence when direct evidence was missing.

This has been seen by Audit.

(Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11,  
dated 19th April, 1972/30 Chaitra, 1894 (S.E.).)



## CHAPTER III

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

#### Recommendation

The Committee note that the Railway Convention Committee, 1965, after having considered the requirements during the period 1966—71 for the purpose of replacement of locomotives, rolling stock and track renewals etc., which were estimated by the Railway Board at Rs. 650 crores, recommended that "the appropriation to Depreciation Reserve Fund from Railway revenues may be increased to an average of Rs. 130 crores per year for the quinquennium 1966—71 or as close thereto as possible, taking account of the financial position." The Committee, therefore, feel that the yearly appropriation to the Depreciation Reserve Fund should have been regulated according to the actual requirements during each year. However, during the four years from 1966-67 to 1969-70, the total appropriations to the Fund amounted to Rs. 408.37 crores while the withdrawals for meeting the expenditure on replacements from the Fund were of the order of Rs. 327.68 crores only. There was net accretion of Rs. 80.69 crores to the Fund during these four years even when the Railways suffered a deficit of Rs. 67.49 crores over these years. The Committee consider that in years when the Railways run at a loss, the contribution to the Fund should be related as far as possible to the actual requirements.

[S. No. 12 of Appendix IX. 1.95 of 11th Report of the P.A.C. (5th Lok Sabha)].

#### Action taken

The following submissions are made for the consideration of the Committee on the above recommendations:

1. From 1950-51, in terms of the recommendations of the Railway Convention Committee, 1949, the contribution to the Fund have been related, not to the amount of depreciation calculated as accruing on the wasting assets of the Railways from year to year, but to the amounts that are expected to be withdrawn from the Fund during each five year period covered by the successive Plans.

2. The D.R.F. is in effect now a renewal reserve fund and is utilised to finance all renewals at current prices including the improvement element. The annual contribution to the fund is made up of appropriation from Revenue receipts, a charge to the cost of production in respect of depreciation on the assets of the Production Units and the interest accruing on the balance.

3. During the decade 1951-52 to 1962-63 the withdrawals from the fund were much more than the contribution to the Fund with the result that the balance in the Fund got run down to extremely low levels. The table below illustrates the point:

(In crores)

Year	Appropriation to the Fund	Withdrawal from the Fund	Net accretion to the Fund during the year	Closing Balance
1951-52 . . . . .	33.79	35.87	-2.08	122.02
1952-53 . . . . .	34.42	40.89	-6.47	116.36
1953-54 . . . . .	33.97	38.02	-4.05	112.79
1954-55 . . . . .	33.72	45.82	-12.10	100.69
1955-56 . . . . .	48.67	45.89	2.78	103.47
1956-57 . . . . .	48.90	43.68	5.22	103.14
1957-58 . . . . .	49.38	63.62	-14.24	88.89
1958-59 . . . . .	48.40	80.72	-32.32	56.70
1959-60 . . . . .	47.96	68.36	-20.40	37.30
1960-61 . . . . .	46.64	64.04	-17.40	19.79
1961-62 . . . . .	67.63	58.83	9.40	29.19
1962-63 . . . . .	69.02	75.37	-6.35	22.84

4. While explaining the position in respect of this Fund to the Railway Convention Committee, 1965, it was stated that owing to historical circumstances, *i.e.*, a large number of new assets having been commissioned after the First World War between 1920 and 1930, the current replacement requirements of those assets were on the high side. In view of the extremely low balance available in the Fund, it was pleaded before the Convention Committee that the fund required to be built up and that if the Fund was to meet the expenditure liability on renewal and replacement account from year to year, appropriations to the fund during the Fourth and Fifth Plans would have to be maintained at a level somewhat higher than obtaining earlier.

5. The total appropriations to the Depreciation Reserve Fund during the years 1966-67 to 1970-71 including that from Capital (Rs. 11.60 crores) and interest on Fund balance (20.31 crores) amounted to Rs. 516.91 crores and against this appropriation, the withdrawal from this Fund were to the extent of Rs. 418.36 crores. The reasons for contributions exceeding the withdrawals are set forth in the following sub-paragraphs.

5.1. The replacements should normally be programmed on the basis of the expiry of the normal lives of the assets but actual replacements of Rolling Stock have been, and continue to be, regulated according to the availability of internal and external resources (both physical and financial) indigenous capacity to manufacture rolling stock with the minimum import content and other relevant factors.

6. The total expenditure to be incurred from the Depreciation Reserve Fund during the quinquennium 1969—74 was originally planned at Rs. 525 crores and accordingly, the contribution to the Fund was also set at this figure as under:

	(Rs. in crores)
1969-70 . . . . .	95
1970-71 . . . . .	100
1971-72 . . . . .	105
1972-73 . . . . .	110
1973-74 . . . . .	115
Total Rs. . . . .	<u>525</u>

7. In the revised Fourth Plan for the Railways, the Government have, with the concurrence of the Planning Commission, recently approved an outlay of 550 crores on Depreciation Reserve Fund account. To meet this enlarged liability, appropriation to the Fund should normally have been correspondingly increased. But appropriation to the fund is still proposed to be kept at 535 crores during the Fourth Plan period.

8. The question of adequate building up of D.R.F. has also been examined in detail by the team of Transport and Distribution Consultants deputed by the World Bank in September—October, 1969, to India. While agreeing with the existing policy of financing the Depreciation Reserve Fund, the team, in their Report on Costing and Financial Control on Indian Railways, have recommended a build up of the Fund, which can only take place if our contribution to the Fund is more than the annual withdrawal.

9. To sum up, appropriation to the D.R.F. requires to be regulated on three considerations viz.:

- (i) withdrawals to meet the expenditure on renewals and replacements, as planned in a Plan period of five years;
- (ii) need to maintain the Fund balances at a reasonable level commensurate with the Capital-at-Charge;
- (iii) financial position of the Railways.

10. It is, therefore, submitted that the contributions proposed to be made to the Depreciation Reserve Fund as per the Fourth Plan of the Railways may be allowed to remain as they are. It may be mentioned that the question of contributions to be made to the Depreciation Reserve Fund during the quinquennium 1969—74 is already under the consideration of the Railway Convention Committee. In their interim report, the Committee have agreed with the proposals made by the Railway Board

and recommended that the appropriation to the Depreciation Reserve Fund from Railway Revenues for 1971-72 and 1972-73 may be placed at Rs. 105 and 110 crores respectively or as close thereto as possible taking account of the financial position." An extract of paras 71 and 72 of the Interim Report of the Railway Convention Committee, 1971 dated 30th November, 1971 is also enclosed. The interim report of the Committee has been adopted by the Parliament *vide* their Resolution of December, 1971.

11. The recommendations made by the Public Accounts Committee and the submissions made to them by the Government, as incorporated in this note, will be brought to the notice of the Railway Convention Committee for their consideration.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71 B(C)/PAC/V/11 dated the 20th June, 1972./30 Jyaishta, 1894.]

Extracts of paras 71 & 72 of the Interim Report of the Railway Convention Committee, 1971.

71. The Railway Board have suggested that the Railways be asked to aim at making a total contribution of Rs. 525 crores, as under, to the Depreciation Reserve Fund in the quinquennium period 1969—1974:

	(Rs. in crores)
1969-70	95
1970-71	100
1971-72	105
1972-73	110
1973-74	115
Total Rs.	525

On this basis, the balance in the Fund will marginally increase, mainly by the accretion of interest and the small contributions from Production Units outside the Revenue Account and is estimated to amount to Rs. 142 crores approximately by 31st March, 1974.

72. The Committee agree with the above proposals and recommend that the appropriation to the Depreciation Reserve Fund from Railway Revenues for 1971-72 and 1972-73 may be placed at Rs. 105 and 110 crores respectively or as close thereto as possible taking account of the financial position.

### Recommendation

The Committee regret to observe that instead of showing improvement the position has deteriorated since 1962-63 when the Committee had in their 40th Report emphasized the need for tightening up of the existing procedure with a view to clear the outstanding. The outstandings have since then been steadily rising from year to year. It is seen from the Audit Para that out of the total outstandings of Rs. 31.03 crores for the year ending 31st March, 1969 'Freight on consignments on hand' and 'Freight on consignments not on hand' account for Rs. 25.87 crores, *i.e.* about 80 per cent. The Committee would like the Railway Board to examine in this context whether the existing rules regarding filling of compensation claims and transference of consignments to Lost Property Office call for a revision.

[S. No. 14 of Appendix IX, Para 1.112 of the 11th Report of the P.A.C. (5th Lok Sabha)].

### Action taken

The observations of the Committee are noted.

2. The matter has been examined by this Ministry and the General Managers have been directed to launch a special drive immediately for the clearance of the station outstandings. To achieve substantial reduction in the station outstandings in a short time, the Railways have been asked to introduce a scheme of "dynamic" chasing from G.M.'s level downwards by including this subject in the agenda of the monthly meetings with the Heads of Departments both in the Headquarters and in the Divisions. With these steps, it is hoped there will be appreciable improvement in the clearance of station outstandings.

3. As regards Committee's suggestion for revision of existing rules regarding filling of compensation claims and transference of consignments to Lost Property Office, the Ministry considers that the rules relating to filling of compensation claims do not require any revision at present.

However, with a view to realise quickly the freight outstanding on consignments on hand and to fetch proper value in auctions, the Railways have been asked to dispose of unclaimed and unconnected consignment expeditiously and to minimise the cases of transfer of such consignment to Lost Property Offices. The relevant rules regarding disposal of unclaimed booked consignments have also been suitably amended. A copy of Board's letter No. 70/TC/RCC/Imp./75—81, dated 2nd March, 1972 in this connection is enclosed.

[Ministry of Railways (Railway Board) O.M. No. 71-BC-PAC/V/11, dated the 20th June, 1972/30 Jyaishta, 1894.]

GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS

(Railway Board)

No. 70/TC/RCC/Imp./75-81.

New Delhi, the 2nd March, 1972/12th Phalgun, 1893.

To

The General Managers,  
All Indian Railways.

SUBJECT: *Disposal of unclaimed booked consignments and clearance of freight outstanding.*

With a view to realise the freight outstanding on consignments on hand quickly and to fetch proper value in auctions, Board desire that unclaimed and unconnected consignments should be disposed of expeditiously. The formalities required under Section 56 read with Section 55 of the Indian Railways Act should be observed without loss of time. There should be no delay in the Service of notice on the consignor/consignee, and in notifying the auction.

2. Rules provide that the addresses of the Consignor and Consignee (if not booked to self) must be marked on the package. These Rules should be strictly adhered to, so that no time is lost in finding out the address of the Consignor/Consignee.

3. It is observed that sometime there are inordinate delays in transferring unclaimed and unconnected consignments to Lost Property Offices. Board desire that as far as possible goods should be auctioned either at the same station or at a nearby suitable goods shed where better market is available. The cases of transfer of unclaimed goods to Lost Property Office should be minimised. In this connection your attention is drawn to Board's letter No. 70/TC/RCC/Imp./75-81, dated 19th June, 1970 accepting the following recommendation (80) of One-Man Expert Committee on compensation Claims:—

"Auctioning of unclaimed and unconnected goods should be de-centralised. As far as possible, goods should be auctioned at the station where they are found or at the nearest marketing

centre, with the least possible delay. Some Railways are already arranging local auctions and this should be encouraged. At the same time, the workload in the existing Lost Property Offices should be reviewed and staff adjustments made."

4. It was desired in para 2 (iii) of the Board's letter *ibid* that specific goods sheds should be nominated on each Railway where unconnected packages should be sent from a prescribed area for auction. This should be implemented, if not already done.

5. Where it becomes necessary to transfer unclaimed and unconnected goods to Lost Property Office, it should not be necessary for Station Master to obtain prior approval of D.C.S. in each and every case. The permission should be sought only where delivery is disputed or claim is pending or the value of the consignment exceeds Rs. 3000. Rules 2217 to 2219 of the Indian Railways Commercial Manual are being amended as per advance copy of Correction Slip at Annexure 'A'.

Please acknowledge receipt.

(Sd.)/- (M. S. BHANDARI),  
Jt. Director, Traffic (Rates), Railway Board.

D.A./1.

No. 70/TC/RCC/Imp./75-81.

New Delhi, the 2nd March, 1972.

---

12th Phalgun, 1893.

Copy forwarded to the A.D.A. (I) Railways, New Delhi (with 45 spares). This has reference to P.A.C.'s Recommendation S. No. 14 of the 11th Report (1971-72).

(Sd.)/- (M. S. BHANDARI),  
Jt. Director, Traffic (Rates), Railway Board.

Copy to:

AC.III, B(C), F(S)III, TCHI and TG(SD) Branches, Railway Board.

#### Recommendation

The Committee are constrained to observe that no proper assessment of the indigenous capacity was made by the Railway Board either in 1965 when the first order of 32 sets of Suri Transmission was placed or in 1967 when the second order of 15 sets was placed with the German firm. The Committee feel that if the offer of the indigenous firm had been accepted in November, 1965 or at least in October, 1966 the import of the second

lot of 15 sets of Suri Transmission, etc., from Germany for which order was placed in November, 1967 could have been avoided. The indigenous firm on whom an order for 18 sets of Suri Transmission, etc., was placed in November, 1967 have demonstrated their ability to produce the Suri Transmission by actual performance.

It is also seen that in 1968, 45 spare parts of Suri Transmission and reversing gear boxes were imported even though indigenous capacity existed for the manufacture of these parts. Here again even a formal enquiry was not made from the indigenous manufacturers as to whether they could supply these parts.

From the facts as mentioned above the Committee are led to the conclusion that no serious effort was made by the Railway Board to explore the possibility of developing the manufacturing capacity for Suri Transmission, etc., indigenously. The capability of the indigenous manufacturer does not appear to have been gone into earnestly even though their terms and conditions were favourable in so far as the cost element was concerned. DGTD does not appear to have been consulted at any stage. There is nothing to show whether the requisite clearance was obtained from them before ordering imports of Suri Transmission and their spare parts.

The Committee cannot, but resist the conclusion that the Railway Board for reason best known to them were more interested in importing power packs used in Diesel engines than in indigenous development of Suri Transmission. This indifferent attitude of the Railway Board has cost the country considerable foreign exchange and extra expenditure which worked out to Rs. 27.2 lakhs and Rs. 1.86 lakhs respectively in respect of the second lot of 15 sets imported.

[S. Nos. 24 to 27 of Appendix IX, paras 2.30 to 2.33 of the 11th Report of the P.A.C. (5th Lok Sabha)].

#### Action taken

The observations of the Committee are noted. It is however, submitted that the offer from an indigenous manufacturer for the supply of Suri Transmission in 1965 could at best be considered to be only in general terms and not a final and firm one in view of the fact that the Suri Transmission, as manufactured under licence in West Germany was successfully tested against the MaK engine only in April, 1967. Any indigenous manufacturer without having drawings (development drawings being with M/s. MaK) and not even knowing how the Transmission would behave against the MaK engine was hardly in a position to make a realistic offer for manufacture. With such a position prevailing, the development of Suri



Transmission and Reversing Gear could have commenced in India only after the receipt of drawings from West Germany and after the trials, then going on in Germany with the MaK engine, were reported successful. While the working drawings were received in October/November, 1966, the trials with Suri Transmission and MaK engine were reported successful only in April, 1967 and thus, the statement that the design had not been finalised with respect to the engine *vis-a-vis* the transmission in August, 1965 or even by April, 1967 is factually correct.

Here, it is necessary to mention that Suri Transmission without a corresponding finalised locomotive engine could not be developed in isolation. In other words, the engine which would be matched by the Transmission had to be first determined and only after such an engine was finalised that the transmission could be developed.

The Government, taking over the patent for exploitation, took a categorical decision in Nov., 65 that Suri Transmission for rail traction application would be exploited in the Government sector and only for non-railway application would it be licensed for manufacture and exploited in the Private Sector. NRDC had been asked to seek a manufacturer who would be willing to exploit the Suri Transmission for other than Railway purposes. The offer of M/s. KPC in Dec. '66 though based on working drawings (shown to them by CLW) and without insisting for exclusive license, could not be accepted straightway pending examination of the feasibility of developing manufacture of Suri Transmission & gear boxes in Railway Workshops or in other Government sectors pursuant to the Policy decision referred to above.

In June, 1967, CLW was assigned the task of developing the Suri Transmission and Reversing Gear Box, at a joint discussion held by the Board with the CLW's representatives. At that juncture, as well as for sometime to come it was noted that CLW had a large array of diversified production ranging from manufacture of steam locos, electric locos to development of the manufacture of the MaK diesel engines. Hence, the development of Suri Transmission and Reversing Gear Box at CLW had to be planned on a gradual basis and perhaps at a slower pace than would have been possible had the engine and transmission been developed in a new factory exclusively. The development of the MaK diesel engine and transmission, in view of the diversified activities, had to be devotailed with the tapering down of the steam locomotive production. A survey indicated that while CLW had machinery to take up accelerated development of the engine, special purpose machinery was required for the manufacture of transmission and gear box for which CLW was authorised to place orders.

In the case of the engine, it was accordingly decided to develop the manufacture stage by stage by resorting to assembling of CKD, parts and then take up manufacture of increasingly larger proportion of the engines' components alongwith importing balancing parts. But in the case of Suri Transmission and Gear Box, it was to start with the importing of balancing components such as converters, bearings and gear blanks to be replaced later by importation of converters and bearings as other components were taken up for manufacture indigenously and in CLW. As a natural corollary it followed therefore that until the special purpose machinery asked for by CLW for machining of gears etc, was obtained and installed, indigenous sources would have to be found for undertaking this work in India. It was against this background that an Indian manufacturer engaged in the manufacture of gears at that time viz. M/s. Kirloskar Pneumatic Ltd. was given the responsibility for the supply of Suri Transmission and Gear Boxes with support from imported components as mentioned earlier. In accordance with the original plan, yet another stage has now been reached when parts of the Suri Transmission are being manufactured in CLW and arrangements have been made for the supply of the gears only from M/s. Kirloskar Pneumatic Ltd. which will be paired with some imported components and the gear box assembled in Chittaranjan itself.

It has to be appreciated that the MaK engine and Suri Transmission has been indigenously developed at CLW as fast as it is possible within the limited resources of the country and compares very favourably with the development of the diesel engine of this size in other sectors of economy including the engine by DLW/Varanasi.

The Railway Board at all times maintain a close liaison with the Office of the DGTD and one of the Board's Officers who coordinates, is nominated by the DGTD as an "Industrial Adviser" to DGTD. Hence, at all times the Board is fully aware of the developments taking place in the country as comes to the knowledge of the DGTD.

Under the earlier procedure in force as mentioned above, a Joint Director of the Railway Board who was nominated by the DGTD as an Industrial Adviser to the DGTD cleared proposals for imports on behalf of DGTD. This procedure was followed in respect of the imports of Suri Transmission and their spare parts in this case. However, in accordance with the recommendation No. 58 of the 116th Report of the P.A.C. (4th Lok Sabha), the procedure has since been modified and all proposals for imports are now specifically got cleared by the DGTD itself.

It is submitted that it was only after making sure that no Railway Workshops including CLW or any other Public Sector Undertakings were capable of manufacturing the required number of transmission and gear boxes to keep production going from Nov. '68 to April/May '69 that 15

sets of Suri Transmission and Reversing Gear Boxes had been ordered alongwith power packs from the collaborators. The development and manufacture of sophisticated equipment like Suri Transmission and Reversing Gear Box does take time, which would be as much as two years from the time working drawings are made available, as problems and teething troubles are usually encountered in the initial stages. Hence, the certainty of obtaining such transmissions and gear boxes from M/s. KPC who desired only an educational order to match with the tight schedule manufacture of locos could not be relied upon. Even now M/s KPC have not developed enough capacity to meet the entire and timely requirements of the Railways due to which production of Diesel shunting locomotives is often held up. CLW. is however, steadily progressing in setting up its own line of production for the Suri Transmission and Reversing Gear Boxes and is expected to step into the breach within the next two years.

This has been seen by Audit.

[Ministry of Railways O.M. No. 71-B(C)-PAC/V/11, dt. 24-6-72/3  
Asadh 1894].

#### Recommendation

The Committee would also like to know whether responsibility for the delays at various stages had been fixed and suitable action taken against those responsible for the lapse.

[S. No. 43 of Appendix IX, para 2.143 of 11th Report of PAC (5th Lok Sabha)].

#### Action taken

The matter has been examined in detail in consultation with the Northern Railway. The various lapses in this case are (i) initial acceptance of the paper when visual inspection indicated defects and when the test report of the Inspecting Officer was awaited. The result of such premature acceptance, was taking over of the paper into stock and its part consumption which was detrimental to Railway's claim against the supplier. (ii) Not allowing the firm's representative to inspect the paper on or about 11th Sept., 1964 when he came within 15 days of the test report from the Dy. Controller of Inspection, Calcutta. (iii) Unreasonable delay in informing the Dy. Controller of Inspection about all the defects in the paper and also superficial nature of the initial inspection on 4-8-64 with the result that the major defect in the supplies was not reported to the inspecting officer or to the ordering authority in time.

This has been seen by audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/5/11  
dated the 9th June, 1972/19 Jyestha, 1894(S.E.)]

GOVERNMENT OF INDIA

MINISTRY OF RAILWAYS (RAIL MANTRALAYA BHARAT  
SARKAR)

(Railway Board)

No. 71-B(C)-PAC/V/11(41-44)

*New Delhi, dated 10th April, 1972*

The General Managers,  
All Indian Railways,  
Including D. L. W., C. L. W. & I. C. F.  
Chief Administrative Officers,  
Metropolitan Projects,  
Bombay, Calcutta, Madras & Delhi.

SUBJECT:—*Recommendation No. 44 (Para 2.144) of the 11th Report of the P.A.C. (5th Lok Sabha) relating to para 16 of Audit Report Railways 1970.—acceptance of defective printing papers.*

In respect of purchase of printing paper in bulk, the D.G.S.&D. enters into a rate contract with the various mills. The Controller of Stationery, Calcutta acts as the direct demanding officer who receives the indents from Railways and places orders. The relevant portions relating to the procedure for inspection and complaints are enclosed as Annexure I.

Besides, as per instruction issued by Dy. Controller of Inspection, Calcutta, the consignee is required to fill in the portion "details of stores inspected" of Part I of the Inspection Note and also to fill in Part II of the "Receipt Certificate" in token of his having received consignments correctly. The consignee is required to send all the copies of the inspection notes duly filled in and signed by him under his office seal/rubber stamp, to the office of Dy. Controller of Inspection, Calcutta alongwith 6 sample sheets of paper drawn at random. The consignee is also required to indicate his view about the service-ability of the supplies received by him for his intended purpose. The consignee is not to enter any remarks about any sort of discrepancy noticed in the paper in the Inspection Note unless and until the same attains a state of settlement with the party concerned. as entering of such remarks in the Inspection Note at the initial stage

without concurrence of the party concerned is liable to create a lot of complications. A copy of such cyclostyled circulars issued to the consignee by the Deputy Controller of Inspection (Stationery) Calcutta is enclosed as Annexure II.

2. In a specific case dealt with by the Public Accounts Committee in the above noted recommendation the following defects were noticed:

- (i) The consignment of paper was initially accepted although the consignee's inspection indicated that the paper was defective and the preliminary report sent by the consignee to the Deputy Controller of Inspection stated that the paper was specky, weak and pulp not digested.
- (ii) As the consignment was initially accepted, a part quantity was utilised thereby weakening the position of the Railway for claiming full replacement/reduction in price.
- (iii) After examination of the samples sent by the consignee, the Dy. Controller of Inspection, Calcutta, had intimated the firm that the paper was substandard and had advised the firm to inspect the consignment within 15 days from the date of issue of his letter. Accordingly, when the supplier's representative wanted to take samples within the periods specified in the Dy. Controller of Inspection's letter, the consignee did not allow him to do so in the first instance. In the same letter addressed to the firm, the Dy. Controller of Inspection had under his endorsement to the consignee, asked him to intimate whether paper would serve the Railway's purpose. There was abnormal delay of 10 months on the part of the consignee in answering this query wherein consignee reported that the paper was not suitable for the indented purpose.
- (iv) On account of the above delay on the part of the consignee as well as on account of his action to utilise part of the supplies, the supplier did not accept the rejection of the balance quantity of paper and insisted on acceptance of the entire quantity at 5 per cent reduction in price. At this stage when the matter was referred to the consignee for acceptance of the entire quantity, at a reduction in price, he pointed out further defects in paper viz., the existence of holes of the size of pin-point to button holes. As these defects were pointed out very belatedly, it was not possible for the DGS&D to make the firm agree to the fresh defects and that there was no scope for obtaining any further reduction in price on account of the existence of additional defects.

(v) Finally the consignment of paper had to be accepted at a reduction of only 5 per cent in the price.

3. The details of the case as mentioned above are brought to the notice of the Railways for their guidance to avoid recurrence of such instances in future.

P. R. BHAGWAT,  
Dy. Director Railway Stores(G)  
Railway Board.

Encl. 2

No. 71-B(C)-PAC/V/11(4-44)

New Delhi, the 10-4-1972.

Copy with 45 spares forwarded for information to A.D.A.I. (Railways), New Delhi.

P. R. BHAGWAT,  
Dy. Director Railway Stores(G)  
Railway Board.

#### ANNEXURE I

*Extract of Paras 6 and 7 relating to "Inspection" and "Complaints" from the Booklet "Annual Rate Contract for the supply of paper and paper boards" issued by the Department of Supply.*

6. (a) *Inspection.*—In respect of supply order placed by the Controller of Stationery, Government of India, Stationery Office, 3, Church Lane, Calcutta, the inspection will be carried out by the Dy. Controller (Inspection), Government of India, Stationery Office, 3 Church Lane, Calcutta. But with regard to supplies of paper ordered on behalf of the Ordnance Factory and/or the Defence Services and for which supply orders are placed by the Controller of Stationery, G.I.S.O., 3, Church Lane, Calcutta, the inspection will be carried out by the following authorities:—

(1) Inspection authority/A.H.S.P.—

(i) The Chief Inspector of C.I.G.S., Post Box No. 127, Kanpur, for IND and/or GS Specifications.

(2) The Chief Inspector of Military Explosives, Kirkee, Poona-3 for IND/ME Specifications.

(ii) Inspecting Officer—

The A.I.O./o.i/c., of the I.G., S/G.S.I.D. of the area concerned of his authorised representative will carry out inspection and complete inspection note portion I of form D.G.S.&D.(S)-64.

(b) In respect of local deliveries to the consignees in Calcutta the Inspection portion of form D.G.S.&D.(S)-84 will be filled in and signed by the Dy. Controller, Inspection, Calcutta or an Officer acting for him.

(c) (1) In respect of supply orders placed by the Controller of Stationery, Calcutta for supplies to out station consignees Part I Inspection Certificate of Form D.G.S.&D.(S)-84 will be filled in by the Dy. Controller (Inspection), Calcutta or an Officer acting for him. The consignee will fill in Part II Receipt Certificate of Form D.G.S.&D.(S)-84 only before sending these forms to the Dy. Controller (Inspection), Calcutta. Part I—Inspection Certificate should be left blank.

(2) In respect of supply orders placed by the Direct Demanding Officers other than the Controller of Stationery, Calcutta inspection will be carried out by the respective consignees. Part I of the inspection certificate form D.G.S.&D.(S)-84 will in such cases be filled by the respective consignee along with Part II thereof after he has satisfied himself about the quantity and quality of the stores and also that complaints, if any, regarding quality, short weight, etc. have been settled.

7. *Complaints.*—(a) Complaints regarding defective quality short weight, etc., in respect of supplies made against this Rate Contract shall be made in writing by the Direct Demanding Officers placing the supply order and sent to the supplying mill by registered post acknowledgement due within 120 days for reeled paper and within 45 days for sheet paper from the date of receipt of paper. Copies of all such complaints must invariably be endorsed to the Director General of Supplies and Disposals, New Delhi, the Pay and Accounts Officer, Department of Supply, New Delhi, and the Chief Controller of Printing and Stationery, India, New Delhi. Consignment in respect of which a complaint regarding quality is being preferred must be available for examination and should be kept intact.

A period of 15 days from the date of reporting of such consignments shall be allowed to the mills to inspect the consignment and take samples if so desired. A further period of 15 days would be also allowed from the date of inspection of the consignments for reporting on the samples. After the expiry of the prescribed period the consignee would however be at liberty to utilise the consignment without any further reference.

(b) The Direct Demanding Officer or his nominee may, however at the instance of the consignee, bring to the notice of the Chief Controller of Printing & Stationery, India, New Delhi any defect in the quality of paper supplied and he will deal with all complaints regarding quality of

paper from all Direct Demanding Officers. The Chief Controller of Printing and Stationery, India, New Delhi, will order such test or tests to be made as he may consider necessary and his decision in respect of quality of paper shall be final and binding on the parties.

### ANNEXURE II

COPY OF CYCLOSTYLED CIRCULAR ISSUED BY THE DY. CONTROLLER OF INSPECTION (STATIONERY) CALCUTTA GIVING INSTRUCTION TO THE CONSIGNEES.

GOVT. OF INDIA STATIONERY OFFICE, CALCUTTA  
(INSPECTION WING).

X-142/DPI/9/64.

Form X-B  
3, Church Lane,  
Calcutta, Dt. 10th August 64

The Supdt,  
Printing & Stationery,  
N. Rly. Shakurbasti.

SUB:—*Supplies of 2240 reams sheets of paper Wh. Ptg. 69×86 Cms-14.2 kgs. in Reels.*

(Detailed given below made to you by M/s, Delhi Pulp Industries Ltd., under Despatch advice No.)

R/R Number C. 363908 & C-363965  
Challan number against order No.  
dated 18-7-64 & 20-7-64.

Sir,

In enclosing a blank set of Inspection Notes No. X-142/DPI/9/64 consisting of seven copies of book No. 219201 for the above supply of paper, I am to request you to fill in the portion under "Details of stores inspected" (Part I of the Inspection Notes) as per specimen sent herewith as also to fill in part II "Receipt Certificate" in token of your having received the consignment correctly.

I also request you that all copies (without retaining any copy at our end for your records) of the Inspection Notes, duly filled in and signed by you



under your office seal/rubber stamp in token of your having received the consignment correctly, may be forwarded to this office within 10 days of receipt of the blank set along with six sample sheets of paper drawn at random. It is essential that each sheet is duly marked and signed by your office. The set of six sample sheets should then be folded in the size not below 8"×13" and packed flat under stiff cover for transmission to this office indicating your view about the serviceability of the supply received by you for your indented purpose.

I further request you that copies of the Inspection Notes marked accounts office copy No. 1 & 2 should in addition be attested under your signature at the top left corner of part I of Inspection Notes.

I shall return copy No. 4 of the Inspection notes to you after certification by this office for your office records.

I also request you to furnish verification report about weight of and sheetage in 5—10 percent of the lot drawn at random and indicate the date of receipt of the consignment at your end. If it is not possible to furnish weight statement as asked for, it may be certified that the weight of the paper tallies with the weight printed on the ream label.

In case of complaint about quality/weight/sheetage/size shortage/deficiencies/discrepancies etc. If any please take up the matter with the mills direct to avoid time lag in this office taking up with the mills within 45 days (in case of supplies in reams) and 120 days (in case of supplies in reels) from the date of receipt of the consignment at your end failing which the mills will not entertain such complaint. In such an event, please keep the lot aside and send a few ream/reel labels to the mills.

I also request you that in case of future supplies the procedure detailed above may kindly be followed, specially in respect of forwarding sample sheets and verification reports and that complaint, if any be brought to the notice of the mills immediately, even if the issue of the blank set is delayed by this office on account of non receipt of relevant despatch intimation or any other reason beyond the control of this office Inspection Wing.

Please note that the pay and accounts officer, concerned desires that the officers signing the Inspection Notes on behalf of the consignee or indenter should indicate their own designation on the Inspection Notes. The Inspection Notes otherwise will not be treated as valid for payment.

**Important:** If any sort of discrepancy is noticed in the supply you should not enter any remarks about the same in the Inspection Notes unless and until the same attains a state of settlement with the party concerned.

Entering of such remarks in the Inspection Notes at the initial stage without the concurrence of the party concerned is liable to create a lot of unnecessary embarrassment towards the later stages.

Please also note that if you fail to furnish verification reports about weight and sheetage while forwarding sample sheets/Inspection Notes, this office will presume that the said factors are in order and you have no complaints on the same. This office will not issue any further reminder regarding submission of the said reports, but will release inspection notes forthwith.

Your close co-operation in the matter is requested.

Please acknowledge receipt.

Yours faithfully

Encl: Set of I/Notes  
.. in 7 copies.

Sd/-  
for Dy. Controller, Insp.

N. BI.

The accounts office copies of the Inspection Notes and continuation sheets should be signed individually in ink. Indelible pencil or ball point pen should not be used.

The remaining copies of Inspection notes and continuation sheets can be signed in copying pencil in one stroke placing carbon paper under each sheet, provided the signature are clear.

Whenever Inspection Notes are typed, all copies should be signed in ink individually. The continuation sheets should be signed as above in all cases without any lapse. Consignees should sign the Receipt Certificate portion of the Inspection Notes in ink. Ball Point pens should not be used, in signature.

#### **Recommendation**

##### **Para 5.98.**

The committee also regret to observe that due to their failure first to appoint an arbitrator when the contractor sought arbitration in November, 1963 and further to submit a panel of arbitrators within the stipulated time, the Railway Administration lost a valuable opportunity. The Committee

note that Railways not only forfeited their claim against the contractor but were in fact obliged to pay a big sum to the contractor as per award. The Committee would like Railways to investigate the matter fully and fix responsibility for delay and lack of care in safeguarding Railway's interests. The Railways should also take remedial measures to ensure that such lapses do not recur.

[S. No. 90 of Appendix IX, Para 5.97 of the 11th Report of the P.A.C. (5th Lok Sabha).]

### Action taken

#### Para 5.98.

As desired, the matter has been further investigated in detail with a view to fixing responsibility for delay and failure to safeguard railways' interests.

The position is explained below.

- (i) *Delay in dealing with the contractor's request for referring the matter to arbitration.*—It appears that on receipt of the contractor's request, the Chief Engineer (Construction) instructed the Divisional Engineer to collect full facts of the case and submit papers before the end of November 1963. Although the case was put up by the Section concerned, it was not properly processed and was also delayed by the P.A. to the Engineer-in-Chief (C), and the D.E.N. (Genl), Bilaspur. Shri R. D. Dubey who held the above posts consecutively at the material time has been held responsible for the delay and lack of care in safeguarding the railway's interests. The said officer, however, retired from service in June, 1967, on superannuation.
- (ii) *Delay in submission of the panel of Arbitrators to the Court.*—It has been ascertained that in response to the Railway Advocate, Nagpur's letter dated 19th January, 1966, wherein he had stated that as per Court's order dated 18th January, 1966, the panel of arbitrators was to be submitted to Court by 17th February, 1966, the General Manager sent the Railway's panel of Arbitrators to the Railway Advocate on 4th February, 1966 for submission before the court. It is also observed that the concerned District Engineer deputed his dealing assistant to meet the Railway Advocate at Nagpur on 15th December, 1966 or reminding him. However, the Railway Advocate failed to take action as required by the Court in time. In this case the Railway Advocate, Nagpur, was primarily responsible for failing to assist the Railway in getting the case presented properly

before the Court. This failure was brought to the Railway Advocate's notice and his explanation was asked for. He did not, however, submit any explanation but he has since voluntarily stopped acting as a Railway Advocate.

The details of this case have also been brought to the notice of the railways so that they may avoid similar lapses in future *vide* Board's letter No. 71-B(C)-PAC/V/11 (89-90) dated 23rd December, 1971 (copy enclosed).

This has been seen by audit.

[Ministry of Railways (Rly. Board) O.M. No. 71-B(C)-PAC/V/11 dated 16th March, 1972.]

GOVERNMENT OF INDIA

(BHARAT SARKAR)

MINISTRY OF RAILWAYS

(RAIL MANTRALAYA)

(Railway Board)

New Delhi, dated 23-12-1971.

2 Pausa, 1893

To

The General Managers,  
All India Railways.  
Chief Administrative Officers,  
Metropolitan Transport Railways,  
Bombay, Calcutta, Madras & Delhi.

SUBJECT.—*Recommendation Nos. 89 and 90 of the 11th Report of the P.A.C. (1971-72).*

In respect of a contract for the earth work, construction of bridges, quarters, etc., on a doubling project, the contractor failed to complete the work inspite of extensions given to him. The contract was terminated. The contractor sought arbitration but there was delay in the railway appointing an arbitrator. After waiting for about 3 months, the contractor filed a suit in the Civil court. The Civil court, however, passed an order asking the railway to submit a panel of arbitrators from which the plaintiff (the contractor) would select one person and the defendant (railway) would name his arbitrator from the panel submitted by the plaintiff and a body of arbitrators was then to be formed. The court laid down that this should be completed within a period of one month. The court also wanted the panel to be submitted under the General Manager's signature. But the panel was submitted by the railway advocate to the court two days after the time limit laid down by the court. The court then appointed an outside arbitrator who granted an award against the railway.

The Public Accounts Committee have observed in this case that, due to the Railway's failure to appoint an arbitrator when the contractor sought arbitration and further to submit a panel of arbitrators within the stipulated time, the Railway lost a valuable opportunity to present their case to a railway arbitrator. The Committee have also asked that railways should take remedial measures to ensure that such lapses do not recur.

The recommendation is being brought to the notice of the railways for their guidance.

Joint Director Works,  
Railway Board.

D.A.:—Nil.

No. 71-B(C)-PAC/V/II (89—190)

New Delhi dated: 23-12-71

Say with 45 spares forwarded for information to A.D.A.I. (Railways),  
New Delhi.

D.A.: Nil.

Joint Director Works, Railway Board.

#### **Recommendation**

From the information furnished to the Committee it is observed that the overall cost of haulage of goods traffic by diesel locomotives on the longer route namely Bina-Bhopal-Nagda-Kota is much less than what it would cost for haulage of the same traffic by the shorter Bina-Kota route by steam traction. In the absence of complete information on the subject, Audit had worked out that the diversion of traffic from shorter route resulted in a loss during the period July, 1965 to December, 1967. The Railway Board have worked out the comparative cost of haulage of goods traffic by the two routes and have come to the conclusion that there was actually a saving of Rs. 18.23 lakhs instead of the loss worked out by the Audit. The Committee understand that the calculations made by the Railway Board are under scrutiny by Audit and would like to be apprised of the final results.

The Committee regret that the Railway Board failed to furnish requisite information to Audit in this case well in time. The Committee need hardly emphasise that Railway Board should ensure that in future all the relevant information asked for by Audit or that which is considered necessary for being shown to the Audit is made available to them at the appropriate time. There should be no occasion for Audit to have to complain about such matters.

[S. Nos. 100 & 101 of Appendix IX, paras 7.26 to 7.27 of the 11th  
Report of the PAC (5th Lok Sabha)].

#### **Action taken**

The observations of the Committee are noted. The additional haulage cost of Rs. 18.23 lakhs as worked out by the Railway Board has been

scrutinized by audit. According to the method adopted by the Railway Board, not only direct expenditure but also expenditure on supervision, repairs and maintenance and interest charges on capital has been taken into account. Further the expenditure on light engine running involved in the direct route was also taken into account. Audit have not accepted certain assumptions made by the Board. They have suggested that only identifiable additional costs which would not be incurred but for running of these trains should be taken into account. As such, the calculations were revised and it is observed that, taking only the direct additional cost into account, there was a saving of Rs. 3.97 lakhs by hauling the traffic by the Bina-Bhopal-Ujjain longer route instead of the Bina-Kotah (shorter) route. This calculation also takes into account Rs. 2.4 lakhs involved in light engine run of diesel power. Even if this is ignored, the diesel haulage by longer route is estimated to be cheaper by about Rs. 1.6 lakhs.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)/PAC/V/11

dated 20-6-1972/Jaistha 20, 1894.]

## **CHAPTER IV**

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

#### **Recommendation**

"The Committee also feel that DGS&D on their part should take steps for exercising at least random quantitative checks on cement bags at the inspection stage. It may not be possible for all Government departments to have arrangements for weighing of individual cement bags on receipt. In the circumstances, it will be for DGS&D to ensure that besides quality, the quantity of cement supplied to Government departments is also suitably checked."

[S. No. 40 of Appendix IX, Para 2.127 of 11th Report of PAC (Fifth (5th Lok Sabha)).

#### **Action taken**

In the case of cement, inspection is not carried out in respect of each consignment. Quality control is exercised only by testing samples. It is neither the responsibility of an inspector, nor is it feasible for him to exercise any random quantity checks on the cement bags. In the case of stores, including cement, the responsibility for quantitative checks rests with the consignee, who alone is in a position to exercise this check adequately.

[Ministry of Supply No. PIII.20(1)/70, dt. July 1972.]

#### **Recommendation**

Moreover, the treatment of water is a regular and continuous measure and each time the water is fed into the engine it has to be treated. Therefore the work which is now being handled by the traffic staff could have been done by the same staff from the very beginning. Obviously the separate field organisation of Khalasis was not created to repair the damaged boilers so that they could be withdrawn "after the position had stabilised." They were required to treat water fed into engines and that

work still continues. If they can be dispensed with now, it should have been feasible to do without them in the beginning also.

[S. No. 114 of Appendix IX, para 9.12 of the 11th Report of the P.A.C. 1971-72.]

#### Action taken

It is true that the treatment of water fed to the steam locomotives is a continuous process and the process involved is only adding some chemical to the water. While putting up a justification for the creation of a special organisation, the Chief Mechanical Engineer, N. E. Railway, apparently felt that the existing arrangement of treating water at certain nominated stations was not satisfactory and the existing conventional and other specialised duties of staff would not permit their attending to the water treatment also in an efficient manner. It was his intention that the fitting of automatic gears to locomotive tenders should be processed quickly and with the fitting of dozing gears, the water treatment khalasis could be progressively withdrawn. It will also be noted that by the time the staff were withdrawn in April, 1969, the number of locomotives fitted with dozing gears were progressively increasing and by the end of 1969, 269 locomotives were fitted with the dozing gears. Viewed in the light of the serious situation which developed in 1964, it would perhaps be appreciated that the best solution that was thought of, for overcoming the sudden damage to a large number of locomotive boilers was by creating a special temporary organisation which would be under the control of the Mechanical Department for ensuring addition of the chemical, without fail, at all the watering stations. The idea of utilizing one department staff for another department's duties emanated as a result of Board's instructions issued in April, 1967, in the light of the need for economy in the growth of the strength of staff, and it was possible for the Administration to enforce this directive in stages for winding up the special organization.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V-11 (113-114) dated 7-2-1972 18, Magha, 1893.]



## CHAPTER V

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

#### Recommendation

The Committee note that as a matter for policy there would be no closing of any of the existing unremunerative branch lines. The High Power Committee which went into the question of improving the working of such branch lines, so as to make them economically viable made certain recommendations which *inter alia* covered conversion of gauges and extension of lines. These would cost about Rs. 240 crores. The Committee were informed that the justification for additional investments on conversion-cum-extension had to be examined. The Committee would like the results of the examination to be intimated to them.

#### Action taken

As against the recommendation of the Uneconomic BRANCH Line Committee, 1969, to carry out 28 surveys for extension/conversion/restoration of branch lines, the Board have ordered 12 traffic surveys to be carried out by Railways. So far reports of 5 surveys have been received. Examination of two survey reports has been completed which indicates that restoration of Gohana-Panipat link and extension of Burhan-Etah line to Kasganj are not financially viable. The results of the examination of the other survey reports will be intimated to the Committee in due course.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11,  
dated 21st February, 1972.]

#### Further Information

"Out of twelve surveys ordered by the Railway Board, reports of six surveys have so far been received. Examination of three survey reports has been completed which indicates that the projects mentioned below are not financially viable:—

1. Restoration of Gohana-Panipat Link.
2. Extension of Burhan-Etah line to Kasganj.
3. Conversion of Kurdwadi-Pandarpur from NG to BG.

The other three survey reports are still under examination of the Railway Board.

The remaining six surveys are still in progress.”

[Ministry of Railways' O.M. No. 71-BC-PAC/V/11, dated 3/5-8-1972.]

#### **Recommendation**

The Committee note that Railways are already insisting on pre-payment of freight on certain categories of consignments. The Committee would like the Railway Board to consider the feasibility of extending this practice to cover more commodities, as per practice obtaining in other countries.

[S. No. 15 of Appendix IX, Para 1.113 of the 11th Report of PAC (5th Lok Sabha).]

#### **Action taken**

The recommendation has been noted. A decision has been taken to apply the condition of prepayment of freight to 26 commodities according to classification. It was proposed to bring this into effect on and from 1st April, 1972. Innumerable representations were received some of them from other Ministries also. Extension of time has been given upto 1st July, 1972 to enable the trade to adjust to the new obligation.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-BC-PAC/V/11 dated 28th April, 1972].]

#### **Recommendation**

The Committee are unhappy to note that the equalising beams on all the 117 coaches supplied by the firm were found defective and had to be replaced by the Northeast Frontier Railway at a cost of more than Rs. 3.51 lakhs. It has been stated that investigations into the causes of the failures of these beams have revealed that they were due to the different class of steel used and manufacturing defects in the manufacture of the beams. The Committee were also informed during evidence that a claim had been preferred against the firm for reimbursement of cost of replacement of the defective beams although no settlement had yet been reached. The Committee desire that the Railway Board should actively pursue the matter with the suppliers and apprise them about the outcome.

According to the Audit Para the cases of breakages of beams on the Western Railway have been reported to the manufacturers for replacement. The Committee would like the Railway Board to take follow up action on their claim against the manufacturers.

[S. Nos. 28 and 30 of Appendix IX, Paras 2.65 and 2.67 of the 11th Report of the PAC (5th Lok Sabha).]

### Action taken

The question of recovery of cost of replacement of the defective beams is still being pursued with the manufacturers. A reply from the manufacturers has been received and this is being considered in consultation with the R.D.S.O. The Committee would be advised of the outcome as soon as the matter is settled.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11 dated 9th June, 1972/19 Jyaistha, 1894 S.E.]

### Further Information

The matter had been taken up with the firm to replace the defective equalising beams or to accept the claims preferred by the Railways. The firm refuted the Railway Board's claim on the ground that the defects noticed in the equalising beams were not manufacturing defects. In order to convince the firm, on technical grounds, of the liability for the defective manufacture of the equalising beams, a meeting is being arranged with the firm to be held in the Ministry shortly.

[Ministry of Railways Office Memorandum No. 71-BC-PAC/V/11 dated 1-8-1972].

### Recommendation

The Committee were given to understand that the excess stock to the extent of 2,30,000 Kilogrammes was disposed of by inviting tenders. They would like to be informed about the loss, if any suffered on this account. The Committee would also like to be apprised of the final outcome of the compensation claim of a firm stated to be under consideration.

[S. No. 37 of Appendix IX, Para 2.112 of 11th Report of P.A.C. (5th Lok Sabha)]

### Action taken

The sale of 2,32,000 Kgs was arranged in April—June, 1970 at the rate of Rs. 1156/- per tonne. A net loss of Rs. 1,67,968/- was incurred in the sale as per particulars given below:—

(a) Total sale value realised	Rs. 2,68,192/-.
(b) Book rate of 2,32,000 Kgs. at Rs. 1.88 per Kg.	Rs. 4,36,160
(c) Net loss incurred (b)-A	Rs. 1,67,968.

As regards the final outcome of the compensation claim, the DGS&D has advised the following position:—

“The firm has not claim any compensation so far, excepting that they have written one letter wherein they have stated that a sum of Rs. 1,75,000/- is blocked due to suspension of supplies order by the indentor. The firm's letter is dated 24th October, 1966 and afterwards they are silent over the issue. The case is, however, still to be finalised”.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11 dated 10-4-1972/21 Chaitra, 1983].

#### **Further Information**

The matter was again referred to the D.G.S.&D., New Delhi who have advised under D.O. No. CDN-5/5(5)/71, dated 29th July, 1972 that action regarding finalisation of the case is being taken up.

[Ministry of Railways Office Memorandum No. 71-BC-PAC/V/11 dated 1-8-1972].

#### **Recommendation**

The Committee would also like to be apprised of the outcome of claim filed by the Railway Administration with the official liquidator.

[S. No. 47 of Appendix IX, Para. 2.162 of 11th Report of the P.A.C. (5th Lok Sabha).]

#### **Action Taken**

The Official Liquidator has not so far settled the claim filed by the Railway Administration for the refund of difference in the prices of C.I. scrap as prevalent in 1965 and that at which it was sold to the firm in 1962. The matter is being pursued with him.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC V/11 dated, 21-2-1972, 2 Phalgun, 1983].

#### **Recommendation**

The Committee would like the Railway Board to make a thorough enquiry as to why the capacity of the manganese steel crossing section as also the overall capacity of the Steel Foundry are not being fully utilised and have not reached the optimum stage in production and to initiate remedial measures.

The Committee would also recommend that sustained efforts should be made to bring down the present rate of rejections of crossing (over 25 per cent.) to within the normal rejection rate of 10 to 15 per cent.

[S. Nos. 55 and 56 of Appendix IX, paras 3.57 and 3.58 of the 11th Report of the P.A.C. (5th Lok Sabha)].

#### **Action taken**

The matter is under detailed examination and a further communication will follow.

This has been seen by Audit.

Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11, (50-56) dated 10th April, 1972/21 Chaitra, 1893.]

#### **Recommendation**

During evidence the Committee were informed that the corrosion constituted a big problem and a Committee was being set up by the Planning Commission for investigation of the same. The Committee feel that the proposed committee, if not set up so far, should immediately be constituted and its terms of reference should *inter alia* cover a through study of corrosion problem in railway coaches.

[S. No. 64 of Appendix IX, Para 4.28 of the 11th Report of P.A.C. (Fifth Lok Sabha)].

#### **Action taken**

Corrosion problem are currently being studied by some of the national laboratories such as the National Metallurgical Laboratory and the Central Electro Chemical Research Institute. The Defence Research Laboratory and the R.D.S.O. of the Railway Board are also engaged in corrosion studies as specifically pertain to their own fields. The Corrosion Advisory Bureau under the Metals Committee of C.S.I.R. has also undertaken a number of programmes in this direction. The best manner in which these various studies are to be pooled together and co-ordinated and useful results disseminated to obtain the best advantages to the economy is under consideration in consultation with the C.S.I.R. One of the suggestions under consideration is the establishment of a technical cell, operating as a co-ordinating agency, to identify and initiate studies on the incidence of corrosion on a national basis, to promote research and development on corrosion problems in appropriate centres, to undertake promotional activities for the introduction of preventive measures to reduce and prevent corrosion by various methods and to maintain a data bank on various aspects of corrosion and to act as a disseminating centre for information on corrosion. This suggestion is being pursued further with a view to giving it a concrete and practical shape.

### Recommendation

The Committee would also like to be apprised of the outcome of arbitration proceedings initiated by the contractor for claiming compensation on account of termination of the contract.

[S. No. 87 of Appendix IX, para 5.78 of the 11th Report of the P.A.C. (Fifth Lok Sabha)].

### Action Taken

One of the Co-Arbitrators was transferred to another railway in August, 1971 and this necessitated nomination of a new team of Co-Arbitrators. The contractor has been furnished with a list of names for recommending one arbitrator to be appointed on his behalf by the General Manager and his reply is awaited.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11 dated 16-3-1972].

### Further Information

The Railway Officer nominated by the contractor to act on his behalf as an arbitrator, has expressed his inability to function as an arbitrator. The contractor has been given a fresh list of names for selecting his nominee. His reply is still awaited and the case is being actively pursued.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11 dated 3 5/8/1972].

### Recommendation

The Committee are not fully satisfied with the arguments put forward for non-closure of six stations, which the Construction Branch of the Southern Railway and the Divisional Superintendent had recommended for closure. The Committee would like the Railway Board to examine afresh whether any of the existing stations can be dispensed with without in any way affecting the efficiency of operation.

[S. No. 3 of Appendix IX, para 6.29 of the 11th Report of the PAC (5th Lok Sabha).]

### Action Taken

The matter is being further reviewed in consultation with the Southern Railway and a further communication will follow.

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. 71-B(C)-PAC/V/II dated 10-4-1972/21 Chaitra, 1893]

### Further Information

In the reply received from the Southern Railway, the Railway are not in favour of closing down any more stations. The matter was further examined by the Board and the southern Railway have been instructed on 21-8-72 to undertake a through work study which should, *inter alia*, go into the question of pattern of traffic at present prevailing on the Guntakal-Hospet Section, *i.e.* movement of empty rakes and light engines to and from Hospet and the existing train examining facilities, in order to examine whether the present pattern of operation could lend itself to further rationalisation and if as a result thereof a few more stations could be closed on this section for the present.

The Southern Railway have been directed to complete the work study within a month and send a report together with their recommendations.

[Ministry of Railways Office Memorandum No. 71-B(C)-PAC/V/II dated 26-8-1972]

### Recommendation

The Committee are also unhappy to note that the recommendations made by them in their earlier Reports about the determination of losses relating to thefts and other deficiencies in fittings of rolling stock and their exhibition in Annexure H to the Appropriation Accounts had not been implemented fully by several Railways so far. The Railway Board should take speedy action for their implementation.

[S. No. 123 of Appnedix IX. para 9.58 of the 11th Report of the P.A.C. (5th Lok Sabha)]

### Action Taken

The observations of the Committee are noted. the matter has been referred to the railways and the practical difficulties experienced by them in implementing Board's orders will be examined and resolved. Further

instructions will be issued wherever necessary. The Railways etc. have been addressed *vide* letter No. 68-Sec. (Cr.) 184/21, dated 30-3-72 (copy enclosed).

This has been seen by Audit.

[Ministry of Railways (Railway Board) O.M. No. 71-B(C)-PAC/V/11 dated 19th April, 1972/30, Chaitra, 1893].

#### Further Information

Replies from most of the Railways are still awaited and the matter is being pursued with them.

[Ministry of Railways' Office Memorandum No. 71-BC-PAC/V/11 dated 3/5-3-1972].

GOVERNMENT OF INDIA

(BHARAT SARKAR)

MINISTRY OF RAILWAYS (RAILWAY MANTRALAYA)

(Railway Board)

*New Delhi, the 30th March 1972*

No. 68-Sec.(Cr.) 184/21

The General Managers,

All Indian Railways,

C.L.W. D.L.W. & I.C.F.

*SUB.—Losses on account of fittings in Rolling Stock-exhibition in Appropriation Accounts.*

Arising out of Para 44 of the Audit Report (Railways), 1970, the public Accounts Committee have made the following recommendation *vide* para 9.58 of their 11th Report (Fifth Lok Sabha).

"9.58 The Committee are also unhappy to note that the recommendations made by them in their earlier Reports about the determination of losses relating to thefts and other deficiencies in fittings of rolling stock and their exhibition in Annexure H to the Appropriation Accounts had not been implemented fully by several Railways so far. The Railway Board should take speedy action for their implementation."



2. The Board desire that a review should be undertaken in respect of implementation of their instructions *vide* letter No. 64-Sec.(Cr.)/184/6 dated 16-11-1965, as amplified and reiterated from time to time *vide* letters No. 68/pp/4/10 67-68/P.I dated 5-10-1968, No. 68-Sec.(Cr.)184/21 dated 5-12-1968 and 68App/4/10/67-68 dated 28-12-1968, and a certificate furnished to them to the effect that the aforesaid orders have been fully implemented on your Railway. In case there are any practical difficulties experienced in implementing the same, these should be elaborately brought out for the information of the Board along with your proposal for overcoming them.

3. This may please be treated as *Urgent*.

Sd./-

R. N. PATRO,

*Dy. Director Finance (Accounts),*

*Railway Board.*

No. 68-Sec.(Cr.)184/21

*New Delhi, the 30th March, 1972*

Copy with 45 spares, forwarded for information to ADAI(Rlys). New Delhi.

Sd./-

R. N. PATRO,

*Dy. Director Finance (Accounts),*

*Railway Board*

NEW DELHI;

*October, 1972.*

*Kartika, 1894(S).*

ERA SEZHIYAN,

*Chairman,*

*Public Accounts Committee*

## APPENDIX

### *Summary of the main conclusions/recommendations*

S. No.	Para No.	Ministry/ Dept. concerned	Recommendation
1	2	3	4
1.	1-3	Railway Planning Commission	The Committee desire that in the case of recommendations in respect of which interim replies have been furnished, Government should forward the final replies expeditiously.
2.	1-7	Railways	The Committee note that necessary instructions have been issued to the concerned Railways to analyse the causes for the widening gap between their working expenses and gross traffic receipts and to take necessary remedial measures. The Committee would like that the results of the investigations made and the remedial measures taken be intimated within six months.
3.	1-10	Railways	The Committee do not agree with the view that the scope of achieving substantial economy in the major areas of expenditure is limited. They, however, note that an economy drive has been in existence on the Railways for a number of years and that instructions have also been recently

issued to the General Managers of all Zonal Railways for effecting maximum possible economy in their working expenses. The Committee feel that what is important is not the measures suggested but the effectiveness of implementation of these measures in order that the expected economy may be achieved. They would, therefore, like that the results should be carefully assessed and expressed in quantitative terms so, as to have a proper appreciation of the impact of the economy measures over a period of time.

4. 1-10 Railways

The Committee note that out of 12 surveys ordered by the Railway Board for extension/conversion/restoration of unremunerative branch lines, reports of only six surveys have so far been received and the remaining six surveys are still in progress. Further out of the six survey reports received examination of only three reports has been completed. The Committee desire that the survey work should be expedited and speedy action taken on reports already received.

5. 1-18 Railways

The Committee note that the design of the equalising beams as well as the material from which the equalising beams are required to be manufactured were altered in 1968. It is however learnt from the information furnished to the Committee that in one case of failure of equalising beam that took place on Southern Railway during the quarter ending 31st December, 1971, the beam was of new design. The Committee, therefore, recommend that the question of adequacy of design, specification for

materials etc., may be gone into carefully once again by the Research, Designs and Standards Organisation of Railways with a view to making the beam safe.

6. 1-21 Railways

The Committee note that a net loss of Rs. 1,67,968/- has been incurred on the sale of excess stock of M. S. Hex Nuts 1½" acquired as a result of over-provisioning by the Central Railway Administration. The Committee recommend that it may be considered whether responsibility for this loss can be fixed.

7. 1-24 Railways

In the action taken note furnished by the Railway Board it has not been indicated whether any investigation was made to find out as to why unqualified Railway Receipts were continued to be issued till November, 1968 even though complaints about heavy shortage of cement were being received since July, 1965. The Committee would like this to be enquired into with a view to fixing responsibility.

8. 1-27 DGS&D

Under the extant rules it may not be the responsibility of the D.G.S. & D. inspector to exercise a quantitative check on the cement bags apart from the qualitative check exercised. But keeping in view the fact that all Government Departments may not have suitable arrangements for weighment of individual cement bags on receipt, it is but appropriate that there should be a machinery to ensure at least a test weighment of cement bags. The Committee would therefore recommend that D.G.S. & D. should, as an experimental measure, entrust the inspectors with this work also in view of complaints of shortages.

1	2	3	4
9.	1-30	Railways	<p>The Committee find that the question regarding utilisation of the available capacity in the manganese steel crossings section as also the overall capacity of the Steel Foundry at Chittaranjan is still under detailed examination. The Committee would like to impress that the examination should be expeditiously completed so that the installed capacity is put to use. They would also like to be informed about the measures taken to reduce the rate of rejections of crossings.</p>
10.	1-33	Railways	<p>The Committee desire that Railway Board should explore whether individual responsibility can be fixed for the delay at various stages and take suitable action against those found guilty.</p>
11.	1-36	Railways	<p>The Committee find that apart from the lower production in Neyveli Lignite Corporation which resulted in lesser demand for railway wagons there has been drastic fall in the requirement of wagons partly because "the customers are taking a larger proportion of products by road instead of by rail in view of continuous uncertainty in the matter of supply of wagons, pilferage enroute, delay in movement and route restrictions for very long periods." This aspect needs to be examined. The Committee hope that remedial steps will be taken by the Railway Administration concerned to bring about necessary improvement in the services rendered by them so as not to allow diversion of traffic to road.</p>

12. 1-30 Railways

The Committee are still unable to resist the feeling that there was no justification for creating a separate organisation of Khalasis to treat water. They hope the Railway Administration will note this for future guidance.

13. 1-42 Railways

The Committee note that of the 411 recommendations of the Railway Accidents Enquiry Committee which were accepted by the Railway Board only 250 have so far been implemented. The Committee desire that implementation of the remaining recommendations of the Railway Accidents Enquiry Committee should be expedited.

14. 1-50 Railways

The Committee find that in all the four cases referred to in the foregoing paragraphs, responsibility for various lapses has been fixed but all the persons found responsible are stated to have retired and as such no further action could be taken. The Committee desire that the Railway Board should review all these cases to see whether the retired persons only were responsible for the lapses and no others.

