

**REVIEW ON COMPENSATION
CLAIMS**

**MINISTRY OF RAILWAYS
(Railway Board)**

**PUBLIC ACCOUNTS
COMMITTEE
1989-90**

EIGHTH LOK SABHA

**HUNDRED AND EIGHTY-SIXTH
REPORT**

**PUBLIC ACCOUNTS COMMITTEE
(1989-90)**

(EIGHTH LOK SABHA)

REVIEW ON COMPENSATION CLAIMS

**MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

**[Action Taken on 84th Report of Public
Accounts Committee (Eighth Lok Sabha)]**



*Presented in Lok Sabha on 13.10.1989
Laid in Rajya Sabha on 13.10.1989*

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CORRIGENDA TO 186TH REPORT OF PAC
(8TH LOK SABHA)

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PUBLIC ACCOUNTS COMMITTEE
(1989-90)

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** Nominated w.e.f. 18.8.89 *vice* Sarvashri Parvathaneni Upendra, Virendra Verma and Jaswant Singh resigned from the Committee.

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INTRODUCTION

I, the Chairman of the Public Accounts Committee as authorised by the Committee to present on their behalf this 186th Report on action taken by Government on the recommendations of the Committee contained in their Eighty-fourth Report (8th Lok Sabha) on Review on Compensation Claims.

The Committee noted from the action taken note furnished by the Ministry of Railways that the percentage of claims settled by payment in respect of loss/theft of complete consignments to the total claim had come down from 36.82 in 1983-84 to 33.17 in 1985-86. Considering this a marginal decrease, the Committee have felt that concerted efforts were necessary to further bring down the figures. The Committee have also desired the Railways to prescribe some norms and time limit for taking prompt and strict action against staff found responsible for loss and damage of goods.

3. The Committee considered and adopted this Report at their sitting held on 12th October, 1989. Minutes of the sittings form Part II of the Report.

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

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

NEW DELHI;
13 October, 1989

21 Asvina, 1911 (Saka)

P. KOLANDAIVELU
Chairman,
Public Accounts Committee

CHAPTER I REPORT

This Report of the Committee deals with action taken by Government on the Committee's recommendations contained in their Eighty-fourth Report (Eighth Lok Sabha) on Review on Compensation Claims.

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

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

Identification of causes for gradual increase in number of claims
(SL. Nos. 9 & 10 - Paras 63 & 64)

4. The Committee had observed that the claims settled by Railways were attributed to complete loss of packages, pilferage, damage by dampness and delay in transit and other causes resulting from a series of failures in the implementation of the remedial measures by the Commercial, Operating, Mechanical, Security and Claims Departments. However, complete loss of damages and pilferage enroute accounted for the majority of cases settled. The percentage of number of claims settled by payment in respect of loss/theft of complete consignments increased for 25.5 in 1977-78 to 36.8 in 1983-84. As, of all the causes, complete loss of packages was the only cause due to which claims settled by payments were increasing gradually over the periods, the Committee had emphasised that the extent of increase in the number of claims on this account and the amount paid thereof calls for close scrutiny by Railways of these cases with a view to indentifying the precise reasons therefor resulting in huge payments. The Committee had also desired the Railways to deploy special cell to identify and bring to task the persons indulging in malpractices in connivance with the Railway staff in preferring false and fictitious claims.

5. The Ministry of Railways (Railway Board) in their reply have stated that as a result of various measures taken, there has been an appreciable reduction in incidence of claims. The percentage of claims paid on account of complete loss of packages has come down to 33.17% in 1985-86 from 36.82% in 1983-84. Instructions are stated to have been issued for gearing up the claims prevention machinery. Instructions have also been issued to provide better security to the booked consignments. Further, according to the Ministry there has been increase in the number of staff punished in compensation claims cases in 1985-86 as compared to the year 1984-85.

6. On the anxiety expressed by the Committee in their Eighty-fourth Report over the increase in the percentage of claims settled by payment in respect

of loss/theft of complete consignments to the total claims cases, the Ministry in their action taken note have stated that this percentage has come down from 36.82 in 1983-84 to 33.17 in 1985-86. However, the Ministry have not furnished figures relating to later years i.e. for 1986-87 and 1987-88. The Committee would like to be informed of the percentage of claims settled on account of complete loss of consignments in respect of these years also. The Committee feel that this marginal decrease cannot be a cause of complacency and the Ministry of Railways should continue to make concerted efforts to bring down the figures still further. The Committee feel that in any case the Ministry of Railways should conduct a thorough study, as suggested earlier, so as to analyse the reasons therefor and take appropriate remedial measures to check the increasing trend.

Decline in the efficiency of the Railway Protection Force
(S. No. 18 - Para 89)

7. The Committee had pointed out in the aforesaid recommendation that despite the increase in the strength of Railway Protection Force from 60,256 in 1977-78 to 62,941 in 1984-85, the schedule of the normal protecting functions had been curtailed. Further, the efficiency of RPF had also declined which was evident from the fact that the percentage of value of property recovered by RPF to that stolen had declined from 11.51 in 1977-78 to 7.98 in 1981-82 and further to 6.35 in 1984-85. The number of total persons arrested by RPF had also decreased from 5,814 in 1981-82 to 4,258 in 1984-85. The Committee had desired that the RPF (Amendment) Act 1985 should be effectively used to improve the efficacy of RPF.

8. The Ministry of Railways have stated in their reply that against the marginal increase in the RPF strength, the quantum of traffic moved by the Railways has increased greatly and a lot of new assets have been created. Not-with-standing increase in volume of traffic and diversion of sizeable portion of the RPF personnel for performing unscheduled duties, the performance of the Force has been quite satisfactory as compared to 1977-78. According to the Ministry, the following figures speak for themselves:

Year	Total No. of Goods Trains escorted by RPF	Total No. of petrol- parties de- ployed	Total No. of pickets posted
1977-78	1,91,201	1,12,965	1,50,492
1981-82	85,027	1,21,881	82,488
1984-85	86,440	82,343	1,32,394
1986-87	1,10,035	80,840	1,13,531

9. According to the Ministry, the percentage of compensations paid on account of thefts and pilferages has also been kept under control. The Ministry have also contended that an analysis of the crime figures between

1977-78 and 1986-87 indicates that while percentage of recoveries of stolen property and number of persons arrested have remained almost at the same level between 1977-78 and 1982-83, a marginal decline is noticed in 1983-84 and the following years as per details given below:

Years	No. of cases registered	Value of property stolen (in lakhs)	Percentage of increase or decrease in value of property stolen vis-a-vis previous years	Value of property recovered (in lakhs)	Percentage of recovery	Total Arrests
1977-78	37,585	140.47	(+) 19.33%	16.71	11.51%	4,757
1978-79	39,121	198.67	(+) 42.14%	18.40	9.21%	3,717
1979-80	54,578	379.18	(+) 89.90%	33.91	10.62%	4,756
1980-81	58,454	529.40	(+) 39.61%	56.30	10.63%	5,794
1981-82	62,367	681.57	(+) 28.74%	54.43	7.98%	5,814
1982-83	62,298	685.24	(+) 00.53%	86.13	12.56%	5,457
1983-84	53,010	663.21	(-) 03.21%	40.77	6.14%	5,015
1984-85	46,978	555.43	(-) 16.25%	35.30	6.35%	4,258
1985-86	39,889	490.10	(-) 11.76%	48.90	9.97%	3,616
1986-87	33,002	562.66	(+) 1480%	36.40	6.46%	2,458

10. Further, according to the Ministry, the RPF (Amendment) Act, 1985, was passed by the Parliament with a view to removing the handicaps which were affecting the performance and efficiency of the Force and also to give it a status commensurate with its responsibilities. The Amendment act of 1985 has been able to achieve its objectives.

11. The statistics furnished by the Ministry reveal that despite the increase in strength of RPF personnel there has been decline in the total No. of goods escorted by RPF from 1,91,201 in 1977-78 to 1,10,035 in 1986-87 and in the total No. of patrolling parties deployed from 1,12,965 in 1977-78 to 80,840 in 1986-87. Similarly the total No. of pickets posted which was 1,50,492 in 1977-78 has gone down to 1,13,531 in 1986-87. These figures obviously disclaim the Ministry's contention that the performance of RPF has been quite satisfactory. This is also evident from the statistics pertaining to theft / pilferage of booked assignment which reveal that percentage of recovery which was 11.51 in 1977-78 and 12.56 in 1982-83 has come down to 6.46%, in 1986-87, which indicates a very unsatisfactory position. Again the total arrests made in 1986-87 were 2458 as against 4757 in 1977-78 and 5457 in 1982-83. The Committee would like the Railways to examine whether this state of affairs is due to the deployment of large No. of RPF personnel for unscheduled duties or due to complacency shown by them while discharging their assigned duties. The Committee, therefore, desire that the Railways should ensure utilisation of RPF commensurate with

their strength so that at least the levels of achievements of the Years 1977-78 and 1982-83 could be achieved and maintained.

*Staff responsibility in inter-Railway liability cases
(SI. Nos. 20 & 22 - Paragraphs 105 & 107)*

12. The Committee had observed in the aforesaid paragraphs that 75% of the compensation claims received and settled by each Railway related to through traffic and hence the responsibility for loss and damage was to be fixed by other Railways. The Committee were informed that whenever any lapse was found on their system, efforts were made to fix staff responsibility. Although cases where staff responsibility was involved came to between 4 to 5% of the total cases, on an average 21 months were taken to finalise action against staff in inter-Railway liability cases. The Committee had considered this time as unduly long and had desired that steps should be taken to fix the staff responsibility as expeditiously as possible. The Committee had also pointed out that in majority of the cases (66%) the staff was let off with censure and recording the error only. While taking note of the fact that the Railways had instructed to give adequate punishment where staff responsibility was established, the Committee had asked that Railways to tighten up the monitoring machinery set up to watch the progress of disciplinary cases so as to ensure the compliance of these instructions by both disciplinary and reviewing authorities.

13. The Ministry of Railways, in their reply, have stated that the number of staff punished during last three years were as under:

1984-85	531
1985-86	568
1986-87	970

14. According to Railways the instructions have been reiterated to Railways for taking prompt and strict action against staff found negligent. Further, instructions are also stated to have been issued that progress should be monitored at higher level to ensure that staff responsibility is pursued and action taken promptly.

15. While pointing out the time (average 21 months) taken up by Railways to finalise action against staff in Inter Railway liability cases for the loss and damage of goods as too long, the Committee had asked the Railways to take steps to ensure that the staff responsibility in such cases is fixed expeditiously. Action taken note of the Railways merely mentions about the instructions reiterated to Zonal Railways for taking prompt and strict action against staff found responsible for loss and damage and does not indicate whether any time limit has been fixed within which the staff responsibility in these cases should be finalised as to expedite the finalisation of the claims cases nor the progress made in this regard in the subsequent years. The Committee desire that Railways should prescribe some norms /

targets in this regard and ensure the fixation of staff responsibility within that period. The Committee would also like to be apprised of the latest position in this regard.

CHAPTER II

OBSERVATIONS / RECOMMENDATIONS THAT HAVE BEEN NOTED / ACCEPTED BY GOVERNMENT

Recommendation

The three modes of settlement of claim cases are (i) payment to the parties (ii) repudiation and (iii) settlement 'otherwise' (delivery under clear receipt, matching delivery, non-receipt of documents etc.). The committee find that the percentage of claims paid and repudiated to the total claims settled in a year decreased from 39.26 and 40.14 respectively in 1977-78 to 33.10 and 33.99 in 1984-85. The increase in percentage of cases settled 'other-wise' (from 20.60 in 1977-78 to 32.91 in 1984-85) has been attributed by Railways to those claims which were adjusted against consignments already delivered in excess to the claimants or settled by way of matching delivery as also claims closed due to non-submission of necessary documents by the party required for settlement of claim cases. However, the Committee have been given to understand that the claims settled 'other-wise' consisted mainly of those in respect of which consignors / consignees were frustrated on account of delays and protracted correspondence. The Committee consider that it is the duty of the Railways as a monopoly transporter to process all claims fairly and expeditiously. The Committee therefore desire that broad reasons for the increase in claim cases settled 'otherwise' be analysed and suitable steps taken to ensure that the consignees / consignors do not have to suffer on account of any lethargy or delay on the part of the Railways.

(Action taken)

The statistics of claims settled by closure due to non-pursuance by claimants are given below:—

Year	Number of claims temporarily closed due to non pursuance by claimants
1981-82	85,993
1982-83	68,770
1983-84	45,241
1984-85	49,364
1985-86	45,329
1986-87	43,401

It will be seen that there has been a considerable drop in such cases over the years.

Instructions have been issued to Zonal Railways to settle claims expeditiously as well as not to close any case without giving two registered notices, vide para 4 of this Ministry's letter No, 85-TC.III / RITES / 2-3, 89 dated 29.1.1986 (Annexure)

[Ministry of Railways (Railway Board) O.M. No. 87-BC-PAC / VIII / 84
Dated 19 Jan.1988]

ANNEXURE

**GOVERNMENT OF INDIA/BHARAT SARKAR
MINISTRY OF TRANSPORT/PARIWAHAN MANTRALAYA
DEPARTMENT OF RAILWAYS/RAIL VIBHAG
(RAILWAY BOARD)**

No. 85/TC-III/RITES/2-3, 89

New Delhi, January 29, 1986.

**The General Managers,
All Indian Railways.**

SUB: Re-opening/closure of claims cases.

In their Report on Compensation Claims, RITES have made observations which indicate that Zonal Railways are closing a number of claims cases on the ground of non-receipt of documents from the parties without following the extent procedure and instructions. During the investigation, they have also found that letters of claimants are not being connected on files and the cases are not being reopened on receipt of documents. The observations/recommendations made by RITES are reproduced below:—

“2. There is a general reluctance to re-open a claim after it has been closed.

Letters of protest should be put updirect to the next higher

authority for decision. This would be conducive to re-opening of deserving cases.

“3. There should be no repudiation or closure of a case for non-pursuance by the claimant. After an initial letter calling for documents, the reminder should go under registered post and a reply should be awaited for three weeks.

“89. No claims case should be closed on account of non-pursuance by the claimant unless two notices have been served on him, the second one being by registered post and after waiting for 15 days after the service of the second notice”.

2. Normally there should be no need to first file a claim or repudiate on insufficient grounds and then to reopen it. Every claim should be correctly decided after examining facts and law. However, if on reconsideration, it is found that a case was wrongly repudiated or if any new point is brought to notice, there should be no hesitation to reopen the case.

3. Board have accepted the recommendations of RITES and it has been decided that letters of protest should be put up direct to the next higher authority for decision.

4. Board would also like to reiterate that no claims case should be closed without following the procedure laid down in Board's letter No. 70/TC/RCC/Imp/464-477 dated 27.8.1970. This letter envisages that before closing a case temporarily, two letters by registered post with acknowledgement due should be sent to the claimant—one for furnishing the necessary documents/information and the other advising him about the closing of the case. It is also necessary that a minimum period of two months should lapse between the date of issue of the first letter and closure of the case. It was also mentioned in that letter that the cases which are closed, pending receipt of the requisite documents from the claimant, should continue to be kept with the dealing clerks and should not be sent to the Record Section, so that letters received from the claimant could be quickly attached to the file for disposal. The recommendation made by RITES in

para 89 is in keeping with extent instructions which should be rigidly followed.

Please acknowledge receipt of this letter.

Sd/-

(M.S. Bhandari)

Executive Director, Traffic (Comml.)

No. 85/TC-III/RITES/2-3, 89

New Delhi, January 29, 1986

Copy to Chief Claims Officers of all Indian Railways.

Sd/-

(M.S. Bhandari)

Executive Director, Traffic (Comml.)

Recommendation

The Committee further note that a fairly considerable number of claims are repudiated every year. For example in 1984-85, 34% of the cases were repudiated. A sample study of 1363 cases repudiated during August, 1985, undertaken on six Railways (South Eastern, Western, Eastern, Central, Northern & Southern) revealed broad reasons of repudiation as party's negligence (364 cases), claims notice not served within six months (328 cases), defective condition of packing (145 cases), improper loading (101 cases) etc. All these cases were repudiated for violation of one or the other provision(s) of Section 73 to 78 of Indian Railways Act. Since these cases are repudiated, apparently due to infringement of relevant rules on the part of consignees/consignors, it would be a good thing if from time to time attention is specifically drawn to the notice of the parties and assistance given to them to the extent possible before they book their consignments.

[S. No. 4 para 19 of 84th Report of PAC (VIII Lok Sabha) 1986-87]

Action taken

Ministry of Railways have asked the Zonal Railways to educate Railway Customers in proper booking of their consignments so that claims are reduced. Necessary education is imparted to Railway Customers by way of 'Open House Conferences', Symposium on claims setting up of 'May I help you' counters in zonal claims offices meeting with chambers etc. These measures are being pursued.

[Ministry of Railways (Rly. Bd) O.M. No. 87-BC-PAC/VIII/84]
dated 19 January, 1988]

Recommendation

The Committee are concerned to note that a large number of court cases involving compensation claims are instituted every year and substantial amount is paid by Railways as compensation as a result of court decrees.

in 1984-85, 29, 016 new suits were instituted and the amount paid in court cases was Rs. 5.75 crores. The Committee are not wholly satisfied with the reply of the Ministry that suits are being filed in about 5 per cent of the claim cases only and in the remaining 95% of claims, the parties are more or less satisfied with the decisions. The Committee desire that further vigorous efforts are necessary to ensure that all the claims are settled expeditiously and correctly so that the Railway Customers do not resort to litigation in courts.

[S. No. 5 para 20 of 84th Report of PAC (VIII Lok Sabha) 1986-87.]

Action taken

There has been a distinct improvement in the institution of Court Cases, as the following figures will indicate:—

1983-84	33,305
1984-85	29,016
1985-86	25,969
1986-87	20,843

Further efforts are being made to minimise unnecessary litigation.

[Ministry of Railways (Rly. Bd) O.M. No. 87-BC-PAC/VIII/84
dated 19.1.1988]

Recommendation

The Committee are informed that review of the cases decreed against the Railways is done in claim offices of Zonal Railways and this is useful for evolving policy guidelines for satisfactory settlement of similar cases in future. The Committee consider that a summary of lessons learnt as a result of such reviews should be circulated to all other Zonal Railways for their guidance.

[S. No. 6 para 21 of 84th Report of PAC (VIII Lok Sabha) 1986-87]

Action taken

Detailed instructions have been given to Zonal Railways under letter No. TC. IV/87/4100/2-PAC dated 15.9.87 (copy at Annexure).

[Ministry of Railways (Rly. Bd) O.M. No. 87-BC-PAC/VIII/84
dated 19 January, 1988]

ANNEXURE

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

No. TCIV/87/4100/2-PAC

New Delhi, 15th Sept. 1987.

The General Managers,
All Indian Railways.

SUB:— Scrutiny of judgements in respect of claims for compensation taken to Courts by the claimants.

REF:— Board's letter No. 87-TCIII/21/2-PAC dated 8-7-87.

Attention is drawn to the instructions issued under Ministry of Railways, circular No. TCIII/3132/66 Estimates Committee/SER/65 dated 5-7-66 on the above subject (a copy attached). Ministry of Railways would again like to stress the need for reviewing the causes for the suits decreed against the Railways, with a view to learn the lessons from the judgements and take remedial steps to prevent unnecessary litigation.

2. Each Railway should systematically analyse the cases contested but lost by them and the lessons learnt from such reviews should besides, being used by them, may also be communicated to other Zonal Railways for their use.

3. Receipt of this letter may please be acknowledged.

DA: as above.

sd/-

(PRAMOD UNIYAL)
Jt. Director, Trf. Comml. (Cl.)
Railway Board.

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

No. TCIII/3132/66/Estimates Committee/SER/56

New Delhi,
5-7-68

The General Managers,
All Indian Railways.

SUB:— Scrutiny of judgement in respect of claims for compensation taken to court by the claimants.

REF:— Board's letter No. TCIII/3132/66/Estimates Committee/SER/65 dated 6-5-1966.

The Board desire that whenever suits are decreed against the Railway the judgement should be scrutinised not only from the point of view of filing an appeal and securing a reversal of the decision but also examined to see the contributory factors which led to the decree so that adequate corrective action, wherever possible, can be taken.

2. The Board further desire that the decrees whether in favour of or against the railways should be classified under the following heads for the purpose of checking the soundness of the railway's decision and proper statistics thereof maintained:—

- a) Number of cases taken to the court;
 - i) against repudiation;
 - ii) inadequate compensation;
 - iii) delay in taking a decision.
 - b) Number of cases decreed against the railway in respect of a (i) to (iii) above.
 - c) Number of cases settled but of court in respect of a (i) to (iii) above.
 - d) Number of cases decreed in favour of the railway purely on technical grounds, say, for want of valid or timely notice, want of jurisdiction, limitation etc. in respect of a (i) to (iii) above.
 - e) Number of other cases dismissed in respect of a (i) to (iii) above.
3. Receipt of this letter may please be acknowledged.

sd/-

(K. Parameswaran)
Asst. Director Traffic (C).
Railway Board.

Recommendation

The Committee note that the claims settled by Railways are attributed to complete loss of packages, pilferage, damage by dampness and delay in transit and other causes resulting from a series of failures in the implementation of the remedial measures by the Commercial, Operating, Mechanical, Security and Claims departments. However, complete loss of packages and pilferage enroute account for the majority of cases settled. The percentage of number of claims settled by payment in respect of loss / theft of complete consignment increased from 25.5 in 1977-78 to 36.81 in 1983-84 and that in respect of pilferage, although decreased from 44.0 in 1977-78 to 40.7 in 1981-82, remained more or less static thereafter. Damage by dampness, delay in transit and other causes were responsible for about 22.6 percent of the cases settled by payment in 1983-84. These are discussed in the following paragraphs. (Para 63)

The Committee are constrained to find that during 1984-85, compensation for complete loss of packages including loss of wagon load consignments was paid in 66,852 cases (for Rs. 15.94 crores) as compared to 48,083 cases (for Rs. 4.53 crores) in 1977-78 thus registering an increase of 39 per cent in the number of cases and 252 per cent in the amount paid therefor in these eight years. The main commodities affected were fresh fruits, vegetables and other perishables, food grains and pulses, oil and seeds and coal & coke. Significantly, of all the causes, complete loss of packages is the only cause due to which claims settled by payment are increasing gradually over the year. The extent of increase in the number of claims on this account and the amount paid therefor calls for close scrutiny by Railways of these cases with a view to identifying the precise reasons therefor resulting in huge payments. The Committee understand that the failure of the commercial staff at the booking and enroute stations to ensure 'Pack, Label, Mark' care and to observe the prescribed rules viz., check the contents, seals of wagons etc. is partly responsible for the spurt in these cases. Lack of security measures, possible connivance of the staff at various levels with the organised anti social elements and large number of wagons remaining unconnected could also, possible be, the other reasons. The Committee, therefore, desire that Railways should deploy special cell to identify and bring to task the persons indulging in malpractices in connivance with the Railway staff in preferring false and fictitious claims. (Para 64)

[S. Nos. 9, 10 paras 63 & 64 of the 84th Report of P.A.C.
(1986-87) VIII Lok Sabha]

Action taken

Observations of the Committee have been noted, and claims prevention measures intensified. As a result of various measures taken, there has been an appreciable reduction in incidence of claims during the last two years.

2. The Railways were also asked to fix responsibility in individual cases.

In 1986-87, 970 staff were punished in compensation claim cases, as compared to 568 in 1985-86 and 531 in 1984-85.

3. As for the Committee's observation regarding increase in the number of claims paid for complete loss of wagons / packages, it may be mentioned that the percentage of claims paid on this account was 33.17% in 1985-86, as compared to 36.15 per cent in 1984-85 and 36.82 per cent in 1983-84. Thus, there has been a decline under this category. It may also be borne in mind that number of claims paid on account of non delivery of full wagons also include the claims paid on account of diverted coal wagons in respect of which the value is recovered by the Railways from the diverttees.

4. Instructions have been issued to the Railways for expediting the process of connecting un-connected wagons under Board's letter No. 85TCIII / RITES / 52 to 54 dated 16.10.86 (copy enclosed as Annexure I). Instructions have also been issued for gearing up the claim prevention machinery under Board's letter No. 87-TCIII / 21 / 2 / PAC dated 8.7.87 (copy enclosed as Annexure II). Instructions have been issued by the Security Directorate to provide better security to the booked consignments under Board's letter No. 87 / Sec(Cr.) / 37 / 3 dated 14.8.87 (copy enclosed as Annexure III).

5. Continuous efforts are being made to prevent avoidable causes which give rise to loss & damage.

[Ministry of Railways (Rly. Bd.) O.M. No. 87-BC-PAC/VIII/84
dated 19/1/88]

ANNEXURE I

COPY

GOVERNMENT OF INDIA

Ministry of Transport

Deptt. of Railways (Railway Board)

No. 85-TC:III / RITES / 52 to 54

New Delhi, dt.16-10-86

The General Managers

All Indian Railways.

SUB:— *Connecting of unconnected wagons in the yards and at Stations - responsibility of operating and Commercial Departments.*

In order to expedite the process of connecting unconnected wagons and avoid their being shuttled around, the following procedure shall be adopted:—

- (i) No unconnected wagon shall leave a yard and be sent to another yard. This discipline shall be strictly observed by the yard staff. A register of all unconnected wagons received in a yard and their final linking / disposal shall be maintained in the office of train clerks in each yard. Supervisory officials shall ensure this discipline and inspect the register regularly.
- (ii) As per extant instructions as soon as an unconnected wagon is received in a yard, the particulars thereof together with the train by which it was received shall be advised to the train originating stations, Office of the Divisional Commercial Superintendent, and the Deputy Controller (Stock) and Commercial Controller in the Control Office - the last two being informed telephonically. Commercial Controllers shall maintain a register of all unconnected wagons lying within the divisions which, *inter alia*, should include the name of the yard / station where it is lying, efforts made to connect the same and, the final linking or disposal of the wagon should regularly refer to this register to ensure that timely and appropriate action is taken.
- (iii) It will be the responsibility of the Dy. Controller (Stock) and Commercial Controller to jointly ascertain the correct destination of the wagon by tracing its backward passage through their counterparts in the adjoining division and advise the same to the station yard where unconnected wagon is lying.
- (iv) However, if the above enquiries do not yield gainful results to connect an unconnected wagon within 72 Hrs. it should be dealt with as per instructions contained in para 2117 (2) of Commer-

cial Manual supplemented by instructions contained in Board's letter No. 81-TCIII / 69 dated 28.3.81.

- (v) In tracing the correct destination of a wagon full advantage should be taken of the movement record of wagons maintained by the IRCA or in the computer centre in the Board's Office.

Please acknowledge receipt of this letter.

Sd/-
(M.S.BHANDARI)
Executive Director, Traffic
Comm. l.
Railway Board.

Sd/-
(C.M.KHOSLA)
Executive Director, Traffic
Transportation
Railway Board.

Copy to:— C.C.S's and C.C.O's all zonal Railways.

ANNEXURE II
GOVERNMENT OF INDIA
Ministry of Railways
(Railway Board)

No. 87-TCIII / 21 / 2-PAC

New Delhi dated 8th July '87

The General Managers,
All Indian Railways.

SUB: Staff punishments in claims cases.

The P.A.C. in 84th Report on 'Review on Compensation Claims' have observed that time taken for fixation of staff responsibility in the case of loss of consignment giving rise to claim in respect of through traffic is excessive. On Western Railway on an average 21 months were taken to finalise action against staff in inter-railway liability. It has been desired that steps should be taken to fix staff responsibility expeditiously.

The Committee have further observed that there is decline in staff punishments and also in majority cases staff was let off with censure and recording error. There is thus some defect in the process of reviews of cases where punishments are inadequate.

In this connection your attention is invited to Board's letter No. 85-TCIII/RITES/157 TO 159 dated 16.5.86 in which it has already been emphasized that deterrent action should be taken against the staff of Commercial Deptt. and other staff like train clerks, guards and drivers etc. for committing irregularities which result into claims and fixation of staff responsibility should be watched and monitored at the higher level not only in the Headquarters but also on each division.

Necessary steps may also be taken to ensure that staff responsibility and inter-railway liability is fixed expeditiously.

Receipt of this letter may be acknowledged.

Sd/.

(J.K.MITRA)

Jt. Director, Traffic Commercial (Claims)
Railway Board.

No. 87-TCIII / 21 / 2-PAC

New Delhi dated 8th July '87

Copy for information and necessary action to Chief Comml. Supdts. & Chief Claims Officers, All Indian Railways.

Sd/-

(J.K.MITRA)

Jt. Director, Traffic Commercial (Claims)
Railway Board.

ANNEXURE III

Government of India
Ministry of Railways
(Railway Board)

No. 87 / Sec(Cr) / 37 / 3.

New Delhi, dated 14.08.87.

To

All Chief Security Commissioner / RPF
Zonal Railways.

Subject: *Action taken on the recommendations contained in the 84th Report of Public Accounts Committee on Review on Compensation Claims.*

In their Report on Review of Compensation Claims, the Public Accounts Committee (1986-87) have pointed out that thefts / pilferages of the booked consignments mainly occur when wagons remain unconnected or suffer detention enroute, through the door crevices due to defective doors of wagons by cutting the panel of the covered wagons by the miscreants and from the custody of guards and road-van clerks owing to non-observance of instructions to properly lock Brake-vans, inadequate watching by the security staff, etc. The Committee have further stated that pilferages from door crevices is generally not due to wagons having defective doors at the time of loading, but due to sabotage by anti-social

elements while the wagons are in transit. The Committee, therefore, felt that apart from ensuring that wagons with defective doors should not be supplied to consignors for loading, the areas during transit where anti-social elements strike should be identified and steps taken to guard such vulnerable zones in an effective manner. In order to ensure better security to the booked consignments, the Board desire that the following security measures should be made to achieve better results:

1 Adequate security arrangements should be made when wagons remain unconnected or suffer detention enroute or at transshipment points, at yards and platforms and when open wagons are used for transporting foodgrains and other valuable items.

2. In order to eliminate incidence of thefts/pilferages of booked consignments in running trains and at yards it is desired that RPF pickets and patrols be deployed route the clock in vulnerable sections/sectors and at black spots.

3. A close watch should be maintained on the suspected guards/brakemen and other commercial staff who are reportedly indulging in crime.

4. Surprise seal-checkings at interchange points and important marshalling yards be conducted by the supervisory staff of the RPF as a regular feature.

5. Census of seal defective wagons and wagons with defective doors/body-out and panel-cut etc. should be taken at the important marshalling yards in order to ensure application of proper security measure and follow-up action.

6. All cases of unscheduled detention of wagons loaded with valuable commodities at road-side stations, sick-lines and at isolated stations/sidings should be studied with special attention to take remedial measures and to fix staff responsibility, if their indulgence is proved.

7. Periodical co-ordination meetings should be held with Chief Claims Officers, Chief Commercial Superintendents and Chief Mechanical Engineers, to discuss ways and means for prevention of crime and for chalking out programmes for joints checking at interchange points, loading stations, unloading stations, important transshipment points, for arranging pop-rivetting and panel-patching of defective wagons.

8. Liaison with GRP/State police and Commercial Departments should be maintained at the lowest level of Inspector/RPF, SHO/GRP, Commercial Inspectors and, as far as possible, monthly meetings should be held to discuss ways and means to prevent crime affecting booked consignments.

9. Crime Intelligence staff should be deployed to collect criminal intelligence, conduct ambush checks and raids at the hide-outs of the criminals receivers of stolen Railway Material.

10. Test-checks should be conducted on the loaded and sealed wagons of stations frequently reporting shortages.

11. The areas during transit where anti-social elements frequently strike should be identified and adequate steps taken to guard such vulnerable zones/sectors in an effective manner in co-ordination with Civil & GRP authorities.

12. As far as possible, scorting of goods trains/Parcel-cum-passenger trains carrying valuable commodities be undertaken by RPF staff during night in vulnerable sections/sectors.

I would like to be kept apprised of the action taken and results achieved every month.

Please acknowledge receipts.

Sd/-
(S.P. BANERJEE)
DIRECTOR GENERAL / RPF
RAILWAY BOARD.
13887

Recommendation

The Committee note that in pursuance of the recommendations of the Railway Convention Committee (1973), the Railway Board had introduced in 1973 a system of analysis of the reasons for the pilferage partial loss cases to pin-point the area of loss, devise preventive measures and fix staff responsibility. The Committee regret to find that such a detail analysis is done only by 6 out of 9 Railways (Central, Eastern, Southern, South Central, South Eastern and Western Railways). Moreover, the Railways do not appear to have utilised such analysis with a view to taking preventive measures with the result that there has not been any perceptible decrease in the number of claims due to pilferage from 1977-78 onwards. These declined only marginally from 82,926 (for Rs. 5.47 crores) in 1977-78 to 74,424 (for Rs. 7.92 crores) in 1983-84. The Committee consider that such measures have considerable scope for prevention of such claims provided concerted efforts are made by the Railway Administration.

[S.No. 11 para 65 of 84th Report of PAC (1986-87) VIII Lok Sabha]

Action Taken

The Ministry of Railways have again directed the Railways, vide their letter No. 86-TCIII / 105 dated 8.9.87 Annexure to carry out a meaningful analysis of the cause-wise / commodity-wise statistics being compiled by them and devise and implement suitable claim preventive measures on the basis of the conclusions drawn from these studies.

The three Zonal Railways namely Northern, North Eastern and North-

east Frontier have been again asked to properly classify the claims paid on the basis of information available at the time of payment of claims. [Ministry of Railways (Rly. Bd) O.M. No. 87-BC-PAC / VIII / 84 dated 19 January 1988]

ANNEXURE
GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No. 86-TCIII / 105

The General Manager (Claims);
 All India Railways.

New Delhi, Dt: 8th Sept '87

*Sub: Commodity-wise & Cause-wise analysis of Compensation Claims—
 Initiating of Preventive measures.*

The Zonal Railways are compiling monthly commodity-wise and cause-wise statistics of compensation claims paid by the Railways. Ministry of Railways desire that the claims prevention organisation should analyse this data at the end of each month, with a view to:—

- (i) Identify the main causes and commodities, and the trends of variations.
- (ii) Make further study of the causes, and pinpoint stations or trains which account for more claims.
- (iii) Discuss this analysis and study with the Chief Security Commissioner in the regular monthly meetings, and wherever warranted, send joint teams of Security and Commercial staff to undertake further field study.
- (iv) Hold regular coordination meetings with the Claims and Security officers of the adjoining Zonal Railways highlighting the bad spots and vulnerable areas and wherever warranted, to send joint teams of two Railways for taking further preventive measures.
- (v) Fix staff responsibility for taking drastic action against the defaulting staff.

2. Claims statistics should be purposefully used, and personally reviewed by Chief Claims Officer.

3. The Claims statistics are prepared on the basis of the position known at the time of payment of claim. That is often incomplete. Hence, it is necessary that some special sample studies should be conducted by a team of Inspectors, after the claims have been paid, and claims prevention measures should be initiated on the basis of such sample studies.

Please acknowledge receipt of this letter.

Sd/-
 (M.S. BHANDARI)
 EXECUTIVE DIRECTOR, TRAFFIC COMMERCIAL
 RAILWAY BOARD

Copy to DG/RPF, Railway Board

Recommendation

The Committee have been given to understand that pilferage mainly occur when wagon loads remain unconnected or suffer detention enroute, through the door crevices due to defective doors of wagons, by cutting the panel of covered wagons by the miscreants and from the custody of guards and road van clerks owing to non-observance of instructions to lock brake-van, inadequate watching by the Security staff, etc. The Committee are informed by the Railways that pilferage from door crevices is generally not due to wagons having defective doors at the time of loading but due to sabotage by anti-social elements while the wagons are in transit. The Committee feel that apart from ensuring that wagons with defective doors are not supplied to consignors for loading, the areas during transit where anti-social elements strike should be identified and steps taken to guard such vulnerable zones in an effective manner. For this purpose whatever arrangements are necessary should be agreed upon with the State Government concerned. The Committee would also like the Railways to take every care to ensure that adequate security arrangements are made when wagons remain unconnected or suffer detention enroute or at transshipment points, at yards and platforms and when open wagons are used for transporting foodgrains and other vulnerable items. The Committee find it difficult to understand how thefts could occur from the custody of guards / brake van clerks. The Committee are not impressed by the plea of the Railway that due to short halts of trains, the counting and checking of large number of packages by the guards and brake van clerks is rather difficult. Although the number of such cases has come down from 19,583 in 1981-82 to 1100 in 1984-85, this could still be further reduced by suitably altering the train halts, if necessary, and by devising a system of suitable random sample check and by making the concerned staff accountable for any loss of consignment from their custody.

[S.N. 12 para 66 of 84th Report of PAC (1986-87) VIII Lok Sabha]

Action taken

The observation of the Committee have been brought to the notice of Chief Security Commissioners of the Zonal Railways with specific instructions to:

- (i) make adequate security arrangements when wagons remain unconnected or suffer detention enroute and when open wagons are used for transporting foodgrains and other valuable items.

- (ii) deploy RPF pickets and patrolling round the clock in vulnerable sections and at black spots.
- (iii) study cases of unscheduled detention of wagons at isolated sidings / stations and to take remedial measures and to fix staff responsibility.
- (iv) hold periodical coordination meetings with Chief Claims Officers, Chief Commercial Superintendents and Chief Mechanical Engineers to discuss ways and means for prevention of crimes.
- (v) hold periodical meetings and keep liaison with State Police.
- (vi) escorting of goods trains parcel-cum-passenger trains by RPF staff during night in vulnerable sections.

A copy of DG / RPF /Railway Boards letter NO. 87 / Sec (Cr) /37 / 3 dated 14.8.87 is enclosed.

2. The Railways have also permitted travel of escorts of consignors with train loads of iron and steel, foodgrains, cement and fertilizers loaded in open wagons under Ministry of Railway's letters No. TCR/1618 / 85 / 19 dated 16-11-85 and No. TCR / 1078 / 87 / 34 dated 5.10.87 (copies enclosed as Annexure I and II)

3. As most of the loss and pilferage of goods from the custody of Guards etc. are in respect of perishable consignments, a drive has been launched to minimise the claims on perishable by way of proper documentation, elimination of haphazard loading, rationalisation of loading of parcels and proper surveillance at the time of delivery of goods at destination stations. All out efforts have been made to reduce the incidence of claims, and that has already yielded some results.

Ministry of Railways (Rly. Bd)

O.M. No. 87-BC-PAC / VIII / 84 dated 19-1-88

ANNEXURE II
GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No. TCR/1078/87/34

The General Manager,
 All India Railways,

New Delhi, dated 05-10-1987.

Sub:— Permission for travel of Escorts in Goods Train.

In terms of instruction contained in Board's letter No. TCR/1618/85/19 dated 18.11.1985, Station Masters are authorised to permit escorts, of consignors/consignees escorting rakesloads of fertilizer, cement and foodgrains loaded in open wagons to travel in brakevans of such goods trains on

payment of second class ordinary fare on executing an Indemnity Bond as required in Para 337(C) of Indian Railway Commercial Manual Vol. I.

2. It has been suggested that in respect of other commodities which are claims prone and prone to theft and pilferage enroute, escorts of consignees/consignors may be allowed to travel in brakevans of goods trains.

3. The matter has been examined and it has been decided that in respect of rakesload movements of commodities which are susceptible to theft and pilferage enroute, such as Pig Iron, Iron & Steel etc. When requests are received, escorts of consignors/consignees may be permitted to travel in brakevans of these goods trains on payment of Second Class Ordinary Fare. They may also be warned that the railway is relieved of all responsibility for any injury or damage that may be caused to them as a result thereof. The escorts will execute an Indemnity Note as required in para 337(c) of the Indian Railway Commercial Manual Vol. I.

4. Necessary instructions may be issued to the staff concerned and receipt of this letter acknowledged.

(This disposes of D.O. letter No. C.176/Vol.II/BG dated 7.7.1987 from Chief Goods Comml. Supdt., Eastern Railway).

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

Copy to:—

EDTT, JDTC(Claims), TT-I, TC-III, TC-II Branches of Railway Board.

ANNEXURE I
GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

NO. TCR/1618/85/19.

New Delhi, dated 16.11.1985.

The General Managers,
All Indian Railways.

Sub:—Permission for travel of Escorts in Goods Trains.

In terms of para 337(b) of Indian Railway Commercial Manual Vol. I, Station Masters are authorised to permit certain categories of people listed therein to travel in brake vans of goods trains subject to the passenger purchasing a First Class ticket and executing an Indemnity Note as detailed in Rule 337(c).

2. Board have decided that when requests are received for provision of escorts of the consignor or the consignee for escorting rake loads of

fertilizer, cement and foodgrains loaded in open wagons, the escort may be permitted to travel in brake vans of these goods trains on payment of Second Class Ordinary fare. They may also be warned that the railway is relieved of all responsibility for any injury or damage that may be caused to them as a result thereof. The escorts will execute an Indemnity Note as required in para 337(c) of the Indian Railway Commercial Manual Vol.I.

3. Instructions may be issued to all concerned and receipt of this letter acknowledged.

(Hindi version will follow).

(R. Aravamudhan)
Dy. Director Traffic Commercial (Rates)
Railway Board.

Copy to:—

Addl. Executive Director, Traffic Transportation, Railway Board.

Recommendation

The Committee find that the amount and number of claims paid due to supply of non-water tight (NWT) wagons at the loading, transshipment and repacking stations increased gradually from Rs. 3.68 crores and 27,988 respectively in 1981-82 to Rs. 5.02 crores and 33,060 in 1984-85. Out of the above, claims for damages by dampness to foodgrains and pulses constituted a lions share and the claims paid therefor amounted to Rs. 1.98 crores in 14,106 cases. The number of such cases during the years 1982-83 and 1983-84 were 13,826 and 17,948 which further increased to 19,215 in 1984-85. Obviously, much of the damages could have been averted, if the Mechanical Department had adhered to the prescribed maintenance practices in the sick lines and transportation sheds such as application of roofing compound to wagons with leaky roof and repairs to wagons with defective door besides proper welding and rivetting of wagons with cotters, etc.

[S.No. 13, para 67 of 84th Report of PAC (1986-87) VIII Lok Sabha]

Action taken

To reduce claims, the following steps have been taken:—

- (i) Instruction have been issued vide Correction Slip No. 32 Rule No. 2.11.9(B) IRCA Conference Rules Part III that all covered wagons intercepted for repacking schedules must be attended to and made fit for all type of loading till the next repacking schedule.

The attention of the Railways has been invited to the need to implement para 2.9.1(4) of the Wagon Maintenance Manual, which stipulated ensuring of water tightness at the time of repacking.

- (ii) The attention of the Railways has been invited to the need to implement para 3.7 of the Wagon Maintenance Manual which lays down the detailed procedure for water tightness of shop turned out wagons and also the methodology for sickline attention.

[Ministry of Railways (Rly.Bd) O.M. NO. 87-BC-PAC/VIII/84 dated 19.1.1988 & 25.2.1988]

Government of India
Ministry of Railways
(Railway Board)

No. 87/M(N)/951/28.

New Delhi, 11/8/87

The General Managers (mech.),
All Indian Railways.

SUB:—Water tightness of wagons

Board have noted with concern the extensive loss and number of claims paid due to supply of non water tight wagons. Railways are advised to take fresh stock of the situation and gear up the available infrastructure to deal with the problem. It is desired that following action be taken by workshops and sicklines to improve the health of the stock to avoid loss/claims due to non water tightness of wagons.

A. Workshops:

As per instructions contained in para 3.7 of maintenance Manual for wagons, all covered wagons XXX leaving workshop after POH or other repairs must be tested for water tightness inclusive of water spraying test. It should be ensured that proper body repairs are carried out during POH. Plates at corrosion prone areas must be inspected and attended to thoroughly so that the wagon may be kept water tight upto the next POH. Instructions for repairs to wagon body, roof, floor and door as contained in Rule No. 2.11 of IRCA Conference Rules Part-III must be meticulously followed.

B. Sicklines:

1. As per instructions contained in para 3.7 of Maintenance Manual for Wagons, all empty covered wagons attended in sicklines should also be tested for leaks and made water tight, stencilled with station code and date and be marked "WT" on left hand corner of both sides. According to IRCA Conference Rules Part-III, Rule No. 2.11.9.-B covered wagons

intercepted for repacking schedule must be examined for damage/ corroded body floors, roof or door plates and repaired in a manner that the wagon will be fit for loading all types of commodities and will remain water tight till next repacking schedule. Similar instructions are included in para 2.9.1(4) of Maintenance Manual for wagons also.

2. It is observed that Railways are not making full utilisation of panel patching capacity and are not meeting the targets fixed for panel patching. All out efforts should be made to utilise the installed capacity fully and meet the targets fixed by Board.

2. Instructions based on the above guide lines in regards to making covered wagons watertight may please be issued to all workshops and sicklines and followed up by rigorous inspections at all levels.

Sd/-

(O.F.H. JUNG)

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

Copy to M(W) Branch, Railway Board.

Recommendation

The Committee further note that there were heavy arrears in the Periodical Overhauls (POH) of wagons, the percentage of wagons overdue POH had risen from 9.22 (BG wagons) and 8.52 (MG wagons) in 1977-78 to 25 (BG) and 17 (MG) in 1981-82. The Commercial Department had failed to segregate such defective overdue POH wagons, leading of loading of commodities in 'defective and leaky wagons'. Thus, the failure of Mechanical Department to follow the prescribed maintenance practices coupled with failure of Commercial Department to reject defective wagons for loading purposes resulted in heavy payment of compensation due to damage by dampness. The Committee would, therefore, advise that maintenance facilities should be used to the fullest extent in future. At the same time, a phased programme should be chalked out for the gradual replacement of derelict wagons. Timely action should also be taken to segregate defective overdue POH wagons. The expectation that acquisition of new wagons (on replacement and additional account at a cost of Rs. 612.45 crores during 1977-78 to 1982-83) would reduce the incidence of claims has so far not been realised thanks to the failure of Mechanical and Commercial Departments.

[(S.No. 15 Para 69 of 84th Report
of PAC (1986-87) VIII Lok Sabha)]

Action taken

On account of sustained efforts and increased workshop out turn, the overdue POH figures of wagons have decreased as follows:—

	B.G.	M.G.
31.3.1981	25.21	15.97
31.3.1982	25.7	17.84
31.3.1983	23.62	17.22
31.3.1984	17.51	15.47
31.3.1985	14.52	16.05
31.3.1986	12.51	12.45
31.3.1987	10.6	9.5

To further improve the health of stock, the condemnation of overaged stock has been accelerated to wipe out overaged BG and MG freight stock. The figures are as follows:-

	Condemnation figures	
	B.G.	M.G.
(1974-75 to 1977-78) V Plan period	11266	7441
(1978-79 to 1979-80) Rolling plan period	5260	3128
(1980-81 to 1984-85) VI Plan period	60539	21490

[Ministry of Railways (Rly. Bd) O.M. No. 87-BC-PAC/VIII/84 dated 19.1.88].

Recommendation

The Committee further desire that the practice in vogue of examining any suspect/wagon by train examination staff at the behest of the Commercial staff, before they are offered for loading to the consignee, should be scrupulously followed so as to reduce the incidence of claims on this account.

[(S.No. 16 para 70 of 84th Report of PAC (1986-87)VIII Lok Sabha)]

Action taken

This is being rigorously adhered to and unless the Commercial staff is satisfied about the water tightness of the wagon, the same is not loaded.

[Ministry of Railways (Rly. Bd) O.M. No. 87-BC-PAC/VIII/84 dated 19.1.88 and 25.2.1988)]

Government of India
Ministry of Railways
(Railway Board)

No. 87-TCIII/45/1
The General Managers,
All Indian Railways.

New Delhi, dated 2nd July, '87.

SUB:-Damage by wet to consignments.

Southern Railway has complained to Board (MT) that a substantial percentage of claims paid on grains and pulses has been due to damage by rain water as NWT wagons have been used by the loading railways. The railway has observed that the claims on this account can be contained if the wagons are thoroughly examined by the TXR staff and monsoon precautions observed.

2. In this connection your attention is invited to this Ministry's letter No. 84-TCIII/45 dated 6.7.84 in which railways were requested to follow certain measures all the year round besides special precautions during monsoon periods in order to bring down the number of claims on account of damage by wet. These measures are again given in the annexure enclosed.

3. You are requested to ensure that these measures besides the special precautions during monsoon periods are rigidly followed and also the wagons are thoroughly examined before loading of damageable commodities.

4. All concerned should be advised accordingly and receipt of this letter acknowledged.

Sd/-

(J.K. MITRA)

DA/As above.

Jt. Director, Traffic Commercial (Claim)
Railway Board.

No. 87-TCIII/45/1

New Delhi, dated 2nd July, '87.

Copy to: Chief Claims Officers, Chief Comm. Supdts., C.M.E.s, All Zonal Railways for information and necessary action.

Sd/-

(J.K. MITRA)

Jt. Director, Traffic Commercial (Claim)
Railway Board.

Copy for file No. 86-TCIII/105/1.

ANNEXURE

Measures to prevent damage by wet to consignment mentioned in Board's letter No. 84-TCIII/45 Dt. 6.7.84.

1. Goods and parcels offered for booking by rail should be carefully examined and wherever they are already in a wet or damaged condition, suitable remarks about such conditions should be obtained

- on the Forwarding Note from the sender or his authorised agent and the same should be reproduced on the RRs and Invoice.
2. If the packages already bear dry water marks, a remark to this effect should be obtained on the Forwarding Note and repeated on the Railway Receipt & Invoice.
 3. For goods having inherent property to absorb moisture a suitable remark should be obtained from the sender or his authorised agent on the Forwarding Note and repeated on the RR and Invoice.
 4. Commodities susceptible to damage by wet *must always* be loaded in water-tight wagons.
 5. Where TXR staff are provided, they should examine and check all covered wagons for their water tightness and repair them if necessary, before the wagons are supplied for loading commodities liable for damage by wet.
 6. In case where due to shortage of water-tight covered wagons, non-watertight covered wagons are required to be loaded with damageable goods, these must be protected from all sides by tarpaulins.
 7. In case where foodgrains are required to be loaded in open wagons, the goods should be loaded in a pyramidal shape and covered with tarpaulins which should be spread over and secured with ropes so that the rain water drains off the tarpaulins outside the wagon. Further the tarpaulins should be tied so tightly that they do not fly up at the ends of the wagons and uncover the goods.
 8. Tarrred gunny strips should be used to stop seepage of rain water inside the wagons through door crevices. Dunnage must be provided in terms of compulsory special condition S/27.
 9. If any wagon is found defective enroute and the contents are likely to be damaged due to rain, then the contents must be immediately transhipped into a watertight wagons.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

XXR WIRELESS/P.C.

ISSUED ON 1.5.87

G.M.
C. RLY.
BOMBAY

G.M.
N.E. RLY.
GORAKHPUR

G.M.
S.C. RLY.
SECUNDRABAD

G.M.
E. RLY.
CALCUTTA.

G.M.
N.F. RLY.
GAUHATI

G.M.
S.E. RLY.
CALCUTTA

G.M.
N.RLY.
NEW DELHI.

G.M.
S. RLY.
MADRAS.

G.M.
W. RLY.
BOMBAY.

NO. 84/M(N)/951/36 (.) BOARD DESIRES THAT MAXIMUM NUMBER OF UNLOADABLE WAGONS BE LIQUIDATED BETWEEN THE PERIOD APRIL TO SEPTEMBER 1987 (.) RAILWAYS SHOULD ENSURE THAT DURING SLACK SEASON, MAXIMUM NUMBER OF UNFIT & SICK WAGONS SHOULD BE ATTENDED TO BY WORKSHOPS/NPOH DEPOTS & MADE FIT FOR ALL TYPES OF TRAFFIC BEFORE THE BUSY SEASON STARTS FROM SEPTEMBER, 1987 (.)

JUNG/RLYS.

Sd/-
(O.F.H. JUNG)
Exec. Director Mech. Engg./RS,
Railway Board.

Recommendation

Yet another major factor accounting for the increase in claim cases is the delay in transit and consequent deterioration of consignment. There were a series of operational failures impeding the movement of such traffic according to schedule. The Committee suggest that more procurement of Parcel vans on replacement account in future than hitherto should be attempted so that the availability of such vans for parcel traffic improves. The other irritants like over-carriage of parcels, non-adherence to the prescribed transit time and schedule of parcel/QTS trains etc, should be eliminated. It is surprising to note that the Railways do not maintain statistics of over carried parcels. By maintaining such statistics, the Committee feel, it should be easier for the railway administration to identify the areas prone to this problem and the extent of the prevalence of over carriage. This in turn, can help the railways in taking appropriate remedial measures with a view to reducing claims on this account. The Committee would therefore, desire that railways should maintain such statistics in future.

[S.No. 17 Para 71 of 84th
Report of PAC (1986-87)
VIII Lok Sabha]

Action taken

294 broad gauge VPUs were required to be provided on replacement account till the end of the Sixth Five Year Plan. However, due to paucity of funds, it has not been possible to achieve the stipulated target. 35 BG VPUs have already been manufactured and another 70 are planned to be manufactured till the end of 1988-89. Efforts to manufacture larger number in the forthcoming years shall continue. As regards the claim on account of over-carriage of parcels, instructions have been given to the Zonal Railways vide Board's letter No. 87-TG.IV/35/24/PAC dated

20.7.87 (copy enclosed as Annexure) to ensure that loading/unloading of parcels is done systematically to avoid their over-carriage and that schedule transit time of parcel/QTS trains should be adhered to scrupulously. A proper record of statistics for over-carriage of parcels should be maintained and that these should be analysed critically to take steps to minimise claims against deterioration of consignments due to their over-carriage and transit delays.

[Ministry of Railways (Rly. Bd.) O.M. No. 87-BC-PAC/VIII/84 dated 19.1.88]

ANNEXURE

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No.87-TGIV/35/24/PAC

New Delhi, Dt: 20.7.87.

The General Managers,
All Indian Railways.

SUB: Over carriage of parcels — maintenance of statistics etc.

In their 84th Report (1986-87) on 'Review of Compensation Claims', the Public Accounts Committee have analysed the factors accounting for the increase in claim cases. In para 71 of the report, the Committee has *inter-alia* made the following observations:-

"... The other irritants like over-carriage of parcels, non adherence to the prescribed transit time and schedule of parcel/QTS trains etc. should be eliminated. It is surprising to note that the Railways do not maintain statistics, of over-carried parcels by maintaining such statistics the Committee feel, it should be easier for the railway administration to identify the areas prone to this problem and the extent of the prevalence of over carriage. This in turn, can help the railways in taking appropriate remedial measures with a view to reducing claims on this account. The Committee, would, therefore, desire that railways should maintain such statistics in future."

2. The Ministry of Railways desire that action may be taken in compliance with the Committee's observations. It may please be ensured that loading/unloading of parcels is done systematically to avoid their over-carriage and that scheduled transit time of Parcel/QTS trains are adhered to scrupulously. A proper record and statistics of over-carriage of parcels should also be maintained. These records should be analysed critically and steps taken to minimise claims against deterioration of the consignments in transit due to their over carriage.

3. Kindly acknowledge receipt and furnish compliance report within a month to enable 'action taken note' being furnished to P.A.C.

Sd/-
 (R.K. MALHOTRA)
 Dy. Director, Traffic Comm.
 (M&S)
 Railway Board.

Recommendation

The Committee find that there has been significant increase in the strength of Railway Protection Force from 60,256 in 1977-78 to 62,941 in 1984-85. The increase in expenditure thereon has been even higher from Rs. 26.95 crores to Rs. 78.48 crores. At the same time the schedule of the normal protecting functions of RPF has been curtailed. The extent of such reduction in the scheduled duties of RPF can be estimated from a sample study conducted by Audit on Northern Railway. According to this study, the number of trains escorted declined from 2,680 in 1977-78 to 1,959 in 1981-82. Similarly, the number of patrol parties deployed came down from 415 in 1977-78 to 169 in 1981-82 and the pickets arranged went down from 66 in 1977-78 to 22 in 1981-82. Further, the efficiency of RPF has declined in the recent years also which is evident from the fact that the percentage of value of property recovered by RPF to that stolen has declined from 11.51 in 1977-78 to 7.98 in 1981-82 and further to 6.35 in 1984-85. The number of total persons arrested by RPF has also decreased from 5,814 in 1981-82 to 4,258 in 1984-85. According to a sample survey of duties performed by the RPF, conducted by the Railways in 1984, it was found that approximately 30 percent of the sanctioned strength had been deployed on unscheduled duties. The amount paid on the claims for complete loss or pilferage has been increasing gradually over these years. It is pertinent to note in this regard that the Chairman, Railway Board conceded during evidence "I think this (attending to unscheduled duties) is only one of the factors. The other is the deficiency in the efficacy of the Railway Protection Force. We recognise that it needs to be improved." The Committee are informed that the Railway Protection Force (Amendment) Act 1985 has bestowed additional powers to the Railway Protection Force. The Committee require to be satisfied that this amended Act has been effectively used to improve the efficacy of RPF.

[S. No. 18, para 89 of 84th Report
 of PAC (1986-87)VIII Lok Sabha]

Action Taken

The strength of the organisation has not had any significant

increase between 1977-78 and 1985-86, as will be clear from the following table:-

Year	Strength	Year	Strength
1977	59801	1982	61587
1978	60256	1983	61996
1979	60995	1984	62941
1980	61493	1985	61355
1981	61852	1986	60137

These figures do not include the RPSF, whose strength is constant and roughly about 4,977.

2. Against this marginal increase in the RPF strength, the quantum of traffic moved by the Railways in these years has increased greatly and a lot of new assets have been created. Regarding extent of reduction in the scheduled duties of RPF, as mentioned in a sample study conducted by Audit on Northern Railway, it may be pointed out that there has been no reduction in the number and nature of scheduled duties. In fact, due to increase in the element of violence in crime against Railway property, these duties have increased. Unfortunately, there has had to be large-scale withdrawal of Railway Protection Force personnel meant for protective duties in yards, goods sheds, parcel office and transshipment points for deployment on unscheduled duties connected with anti-ticketless travel, antihosepipe cuttings, anti-alarmchain pulling drives, etc. A large Force has already been deployed in Punjab and neighbouring states for law and order duties and assisting the Government Railway Police of the states in controlling dacoities, robberies and thefts of passengers' belongings. Notwithstanding increase in volume of traffic and diversion of sizeable portion of the RPF personnel for performing unscheduled duties, the performance of the Force has been quite satisfactory as compared to 1977-78.

3. The following figures speak for themselves:—

Year	Total No. of Goods Trains escorted by RPF	Total No. of patrolling parties deployed	Total No. of pickets posted
1977-78	1,91,201	1,12,965	1,50,492
1981-82	85,027	1,21,881	82,488
1984-85	86,440	82,343	1,32,394
1986-87	1,10,035	80,840	1,13,531

4. The percentage of compensations paid on account of thefts and pilferages has also been kept well under control, which can be seen from a chart placed at Annexure 'A'.

5. An analysis of the crime figures between 1977-78 and 1986-87 (as shown in the table given below) indicates that while percentage of recoveries of stolen property and number of persons arrested have remained almost at the same level between 1977-78 and 1982-83, a marginal decline is noticed in 1983-84 and the following years. While this could be attributed to the diversion of the Force to non-scheduled duties, the Committee may also appreciate the enormous increase in the volume of goods traffic carried after 1977-78 and non-availability of adequate Force for protective duties due to their deployment on other commitments. The net total freight traffic carried during 1985-86 and 1984-85 was 286.38 and 264.8 million tonnes, respectively as compared to 237.3 million tonnes carried during the year 1977-78. The percentage increase in the tonnage of freight carried in 1985-86 was 20.68 as compared to 1977-78 as against the decline of only about 6% in the percentage of recovery of stolen property and number of persons arrested.

*Statement of theft/pilferage of Booked
Consignments from 1977-78 to 1986-87*

Years	No. of cases registered	Value of property stolen (in lakhs)	Percentage of increase or decrease in value of property stolen vis-a-vis previous years	Value of property recovered (in lakhs)	Percentage of recovery	Total Arrests
1977-78	37,585	140.47	(+)19.33%	16.71	11.51%	4,757
1978-79	39,121	198.67	(+)42.14%	18.40	9.21%	3,717
1979-80	54,578	379.18	(+)89.90%	33.91	10.62%	4,756
1980-81	58,454	529.40	(+)39.61%	56.30	10.63%	5,794
1981-82	62,367	681.57	(+)28.74%	54.43	7.98%	5,814
1982-83	62,298	685.24	(+)00.53%	86.13	12.56%	5,457
1983-84	53,010	663.21	(-)03.21%	40.77	6.14%	5,015
1984-85	46,978	555.43	(-)16.25%	35.30	6.35%	4,258
1985-86	39,889	490.10	(-)11.76%	48.90	9.97%	3,616
1986-87	33,002	562.66	(+)14.80%	36.40	6.46%	2,458

6. Increase in the expenditure on RPF is due to general pattern of rising cost of stores/uniforms/equipments, increase in the rates of Dearness allowances, extra duty allowances, night duty allowances, and travelling allowances, etc. in these years.

7. The RPF (Amendment) Act, 1985, was passed by the Parliament with a view to remove the handicaps which were affecting the performance and efficiency of the Force and also to give it a status commensurate with its responsibilities. The Amendment Act of 1985 has been able to achieve its objectives. It has not bestowed

any additional powers on RPF regarding investigation or prosecution of offences against Railway property.

The following advantages have accrued from the Amendment Act of 1985:—

- (a) Members of the Force have now adequate legal powers for better protection of Railway property and Railway employees concerned with it. The Force personnel have been given protection against arrest and vexatious prosecution for acts done in the discharge of their official duties. This has not only made them more effective, but has also raised their morale.
- (b) In the absence of a Magistrate, any gazetted officer of the RPF can now deal with unlawful assemblies on their own under certain circumstances.
- (c) The status of RPF as a uniformed Force has been enhanced and it has come into the category of Armed Force of the Union like BSF, CRPF and CISF etc. The increased status and higher discipline have made it an effective institution to discharge its responsibilities.
- (d) Hitherto, RPF personnel could only be deployed in “any part of the Railways throughout India.” The Amendment Act now provides that RPF personnel can be deployed “at any place within India, i.e. not necessarily any part of the Railways.”

8. It is finally reiterated that, while there is much to be done to improve matters, the very presence of the Force acts as a deterrent.

[Ministry of Railways (Rly. Bd.) O.M. No. 87—BC—PAC/VIII/84 dated 19.1.88]

ANNEXURE 'A'

Statement showing causewise amount of compensations paid-over Indian Railways during the years 1983-84, 84-85 and 85-86 vis-a-vis 1977-78 (Figure obtained from the statements/Registers of the Claims Branch of Traffic Commercial/Claims of Railway Board).

Amount in Lakhs

Year	Total amount	Losses due to criminal causes i.e. thefts/pilferages/Transit losses.					
		Complete packages amount	Pilferage amount	Total amount	%Total carried	freight (M. Tonnes)	Percentage of freight increased.
1977-78	1423.84	11.64	168.39	180.03	12.64%	237.3	
1983-84	3053.03	5.75	288.00	293.75	9.62%	258.00	8.7
1984-85	3302.80	3.55	320.16	323.71	9.80%	264.76	11.57
1985-86	4357.01	8.12	476.97	485.69	11.13%	286.38	20.68

STRENGTH OF R.P.F.
STATEMENT 40 - III - GOVERNMENT RAILWAYS

Year	Central	Eastern	Northern N.E.	N.F.	Southern S.C.	S.E.	Western	CLW	DLW	ICF	W&AP	TOTAL		
1977	6588	9607	8747	4289	4846	5152	3170	8636	7308	705	279	474	—	59801
1978	7024	9784	8413	4234	4892	4826	3312	8883	7366	713	279	530	—	60256
1979	7137	9585	8474	4649	5033	4830	3373	9058	7145	717	275	519	—	60995
1980	7188	9628	8685	4296	5217	5087	3500	9091	7360	722	280	479	—	61493
1981	7230	9588	8683	4259	9129	5310	3824	8989	7358	720	281	481	—	61852
1982	7263	9725	8706	4187	4942	5244	3956	8971	7142	719	281	426	23	61587
1983	7122	9630	8936	4175	4955	5248	4146	8946	7350	720	268	448	52	61996
1984	7388	9564	9015	4204	4974	5489	3762	9730	7296	652	275	515	94	62941
1985	7320	9304	8990	4333	4913	5320	3480	9072	7128	622	275	493	105	61355
1986	7089	9699	8200	4268	4891	5225	3557	8804	6914	601	301	483	105	60137

37

GRAND TOTAL

Year	Strength	Year	Strength
1977	59801	1982	61587
1978	60256	1983	61996
1979	60995	1984	62941
1980	61493	1985	61355
1981	61852	1986	60137

Recommendation

The Committee find that despite reorganisation of the claims office into a separate department and despite increase in the staff strength by 20 per cent between 1977-78 and 1981-82, it has not yet been possible to arrest the delay in settlement of claims. It is noticed that all Zonal Railways except Northern, North Eastern and North East Frontier carry out detailed analysis regarding areas of occurrence of losses for about 27 per cent (Western Railway) to 73 per cent (South Central Railway) of the cases of total loss, classifying them separately commodity-wise, losses from seal intact and seal tampered, covered or open wagons at the forwarding repacking, transshipment, enroute stations and from the custody of guards. These Railways (Northern, North Eastern and NE Frontier), according to the Ministry, do not appear to have taken due care while doing classification in case of the claims paid under 'complete loss of packages and pilferage'. Instructions have, however, been issued to the Railways to fill in the form properly on the basis of details of cases of claims completed from individual files so that the actual position is correctly reflected in the cause-wise and commodity-wise analysis. However, the Committee find that based on this broad analysis, specific preventive measures were taken only in a limited number of cases i.e. only six cases during the period under review. The Committee suggest that as soon as the monthly compilation and analysis of claims settled is completed, the particular case of trend noticed should invariably be pin-pointed to the concerned railway on railways and the claims prevention cell to initiate forthwith preventive measures. This would ensure timely plugging of the loopholes, thereby reducing the chances of loss or pilferage. The Security Department should also be associated with system improvement measures.

[S.N. 19 para 104 of 84th Report of PAC (1986-87) VIIIth Lok Sabha]

Action taken

In the light of the recommendation of the Committee, detailed instructions have been given to Zonal Railways, under letter No. 86-TC-III/105 dated 8.9.1987.

[Ministry of Railways (Rly Bd) O.M. 87-BC-PAC/VIII/84 dated 19.1.88]

Recommendation

The Committee note that 75 per cent of the claims received and settled by each Railway relate to through traffic and hence the responsibility for the loss and damage is to be fixed by other Railways. The Committee are informed that in claims of over Rs. 5000/- as soon as a claim is received, notices are served on the Railway concerned, to enable them to investigate and to prove delivery of the full consignment in sound condition. Wherever any lapse is found on their system, effort is made to fix staff responsibility. Although, according to a random study conducted by

Western Railway, cases where staff responsibility is involved come to between 4 to 5 per cent of the total cases, on an average 21 months were taken to finalise action against staff in inter Railway liability cases. The Committee consider the time taken to finalise such cases as unduly long and desire that steps should be taken to fix the staff responsibility as expeditiously as possible. (Para 105)

The Committee note that as per a sample study of claims cases on four Railways (Central, Northern, North-Eastern and Western) the number of staff punished has declined sharply in 1981-82, when compared to the figures of 1977-78. Moreover, in majority of the cases (66 per cent approx), the staff was let off with censure and recording the error only. This shows that there is some inherent defect in the process of reviews undertaken by the higher authorities in cases where punishments are found to be inadequate. The Committee have been informed that the Zonal Railways have again been instructed to give adequate punishment where staff responsibility is established. They would like the Ministry of Railways to tighten up the monitoring machinery set up to watch progress of disciplinary cases so as to ensure that instructions reiterated now are scrupulously followed by both disciplinary and reviewing authorities. (Para 107)

[S. Nos.20 & 22, paras 105 & 107 of 84th Report of P.A.C. (1986-87) VIII
Lok Sabha]

Action taken

The number of staff punished during last 3 years are given below:—

1984-85	531
1985-86	568
1986-87	970

This indicates a positive improving trend. Instructions have been reiterated to Railways for taking prompt and strict action against staff found responsible for loss and damage. Instructions have also been issued that the progress should be monitored at higher level to ensure that staff responsibility is pursued and action taken promptly. Copies of Board's letters No. 85-TC.III/RITES/157 to 159 dated 16.5.86, 87-TC.III/21/2/PAC dated 8.7.87 and 87-TC.III/21/2/PAC (105 & 107) dated 26.10.87 are enclosed. (As Annexure I, II & III)

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

“The action taken note merely mentions absolute figures of number of staff punished. PAC had observed that staff responsibility involved came to 4 to 5% (on Western Railways). Railway Board may like to furnish the relative figures in terms of percentage to show that effective action is taken to fix staff responsibility. Further, PAC

desired that time taken to finalise should be minimised. Railway Board may kindly clarify whether it has prescribed any norms/targets”.

Railway Board's further remarks

P.A.C's observation is regarding “cases where staff responsibility is involved” and not of cases where staff responsibility is fixed and staff punished. Perhaps, what is implied is that only in 4 to 5 percent of claims paid, staff responsibility can be involved - in other 95 to 96 per cent of cases, staff responsibility is not involved. This was based on a sample study made by Western Railway. As information in this form is not compiled, it is not possible to furnish any comparable figures. Improvement is reflected in the figures of staff actually punished.

[Ministry of Railways (Rly. Bd) O.M.No. 87-BC-PAC/VIII/84 dated 19.1.88]

ANNEXURE I

Government of India (Bharat Sarkar)
Ministry of Transport (Pariwhan Mantralaya)
Department of Railways (Rail Vibhag)
(Railway Board)

No. 85/TC-HI/RITES/157 to 159.

New Delhi, May 16, 1986.

The General Managers,
All Indian Railways.

SUB:— *Fixation of staff responsibility in claims cases—RITES Rec. Nos. 157 to 159 on Compensation claims.*

In several sample cases, which have come to the notice of the Department of Railways, it has been found that the aspect of fixation of staff responsibility is not being given adequate attention. It has also been observed that the statistical data of punishments imposed during recent years is much less as compared to the previous years. There is reluctance or indifference on the part of the Divisional Officers to take up with the staff who are directly or indirectly responsible for loss or damage or pilferage.

2. It has also been noted that no attempt whatsoever is being made to fix staff responsibility for delay in settlement of claims. These observations have been confirmed in a study report submitted by RITES. RITES have recommended in para 157 of their report that staff responsibility cells should be formed and should be made to work actively on every Division. RITES have also stated that punishments of warning and censure usually imposed on staff have ceased to be effective. In para 159 of the report, they have recommended that there should be greater accent on taking up with the staff responsible for lapses noticed during preventive checks and

that such punishments will be more effective than those imposed many months later after the payment of the claim.

3. In this connection, attention is invited to Board's letter No. 85/TC-III/9/1 dated 22.10.1985 wherein it has already been emphasised that deterrent action should be taken against the staff of Commercial Department and other staff like trains clerks, guards and drivers, etc. for committing irregularities which result into claims. It was also desired that Chief Claims Officers should coordinate with other departments and get the information of action taken against the staff of other departments.

4. It is once again reiterated that fixation of staff responsibility, both for giving rise to a claim and for delay in settlement of a claim, should be watched and monitored at the higher level not only in the headquarters but also on each division.

Sd/- M.S. Bhandari,
Executive Director, Traffic (*Commercial*).

ANNEXURE II

Government of India
Ministry of Railways
(Railway Board)

No. 87-TCIII/21/-PAC

New Delhi dated 8th July, 87

The General Managers,
All Indian Railways.

SUB: *Prevention of Claims.*

The P.A.C. in 84th Report of 'Review on Compensation Claims' have observed that there is increase in compensation for complete loss of packages including loss of wagon load consignments. The main commodities affected were fresh fruits, vegetables and other perishables, foodgrains and pulses, oil and seeds and coal & coke. The payment of compensation due to complete loss of consignments calls for scrutiny to identify the reasons therefor. The reasons may be failure of commercial staff at the booking and enroute stations, lack of security measures, connivance of staff with anti-social elements or large number of wagons remaining unconnected. Railways should deploy special cell to identify and bring to task the persons indulging in malpractices in connivance with railway staff in preferring false and fictitious claims.

In this connection your attention is invited to the following letters issued by Board in which various claims prevention measures to reduce incidence of claims were indicated:—

1. Letter No. TCIII/3150/74/1 dt. 9.1.74
2. Letter No. 81-TCIII/105/N dated 5.9.81
3. Letter No. 85-TCIII/10/dt. 29.8.86
4. Letter No. 85-TCIII/RITES/52 to 54 dt. 16.10.86

5. Letter No. 74/Sec (Cr)/161/35 dt. 17.6.76

The Claims Prevention Organisation of your railway may be further geared up and intensified inspections and surprise checks at important loading/unloading transshipment and repacking points conducted so as to reduce the incidence of claims.

Receipt of this letter may be acknowledged.

Sd.

(J.K. MITRA)

Jt. Director, Traffic Commercial (Claims)
Railway Board.

Copy for information & necessary action to Chief Comml. Supdts. & chief Claims Officers, all Indian Railways.

Sd.

(J.K. MITRA)

Jt. Director, Traffic Commercial (Claims)
Railway Board.

ANNEXURE III

Government of India
Ministry of Railways
(Railway Board)

No. 87-TCIII/21/2-PAC(105, 108) Dated, New Delhi, the 26th Oct.'87

To

The General Managers,
All Indian Railways.

SUB: *Staff Punishments in Claims cases.*

Ref: Board's letter No. 85-TCIII/RITES/157 to 159 dated 16.5.86 and No. 87-TCIII/21/2-PAC dated 8.7.87.

Instructions were issued to the Railways that staff responsibility in individual claims cases should be promptly fixed, and disciplinary action against staff of all Departments held responsible for lapses monitored at all levels.

Ministry of Railways desire that this should be reviewed by Chief Claims Officer personally every month, and by General Manager personally every quarter. In case of delays in replies by the Divisions, Chief Claims Officers should put up the position to General Managers and the same be discussed in the P.O.M's.

Sd

(M.S. BHANDARI)

Executive Director, Traffic Commercial,
Railway Board.

Recommendation

The Committee consider that Railway's efforts to maximise the output of the tracers/inspectors consignment in important cases is a step in the right direction to minimise delays in settlement of those claims which require collection of transit particulars from yard to yard, situated on different Railways. The Committee also appreciate the assurance given to them that after computerisation of freight operations, tracing would become quicker, resulting in speeding up the settlement of inter-Railway claims. They would like to be apprised of the progress made towards computerisation of freight operations in due course.

[(S.No. 21 para 106 of 84th Report of PAC (VIII Lok Sabha) 1986-87)]

Action taken

The task of computerising freight operations (OIS) on Broad Gauge has been given to the Centre for Railway Information System (CRIS). The target time for completing the project is 1993. The problem of unconnected wagons and of collection of transit particulars of individual wagons will be tackled when this Project is implemented.

[Ministry of Railways (Rly.Bd's) case No. 87-TCIII/21/2-PAC (106)]

CHAPTER III

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

Recommendation

Under Section 73 of the Indian Railways Act, 1890, as amended in 1962, the railway administration is responsible for loss, damage or deterioration of goods in transit arising from any cause except such as act of God, war, public enemies, omission or negligence of the consignor/consignee, etc. As exceptions to general liability of the Railways as carriers laid down in Section 73, there are other provisions (contained in section 74 to 78) in the Act which further restrict the liability of the Railways. For instance, under Section 74, when the consignment is booked at owner's risk rate, the railway administration is not responsible except on the proof by the claimant that loss or damage was due to negligence or misconduct on the part of the railway administration. (para 16)

The Committee are constrained to point out that despite streamlining of railway operations, addition of new wagons, strengthening of claims prevention and security organisations, the amount of compensation paid for loss and damage to goods has been gradually increasing. From Rs. 14.3 crores in 1977-78 it has gone up to Rs. 33.0 crores in 1984-85 and further to Rs. 43.57 crores in 1985-86. Percentage of value of claims paid on earnings, which came down gradually from 0.93 in 1977-78 to 0.77 in 1982-83, has also started going up and in fact increased to 0.84 in 1983-84, 0.87 in 1984-85 and further to 0.95 in 1985-86. These increasing trends imply that loss and pilferage are on the increase. The Committee feel that once the articles are accepted for transport, the Railways, as public carrier, must take it as a sacred duty to transport them to their destination safely and securely thereby reducing, in the process, the number of claims for compensation and consequently the amount to be paid there against. The Committee would urge upon the Railways to go into the reasons leading to the aforesaid increasing trends and take appropriate remedial measures with a view to ensuring greater security of consignments. The Committee have dealt in detail with some of the reasons responsible for the claim cases as also suggested some remedial measures later in this report. (Para 17)

[S.No. 1 & 2 para 16 & 17 of 84th Report of PAC (VIII Lok Sabha) 1986-87]]

Action taken

All out efforts are being made to prevent loss and damage in transit.

These have yielded results. In 1986-87, the percentage of gross amount of compensation paid to freight earnings was 0.78 (provisional) as compared to 0.95 in 1985-86. This is an improvement of more than 17 per cent. In 1986-87, the gross amount of compensation paid was Rs. 42.45 crores, as compared to Rs. 43.57 crores in 1985-86. This marginal reduction has been achieved despite increase in traffic and prices.

The improvement is also reflected in the following figures of no. of new claims preferred:-

	No. of new claims preferred
1984-85	455,461
1985-86	424,031
1986-87	388,968

Claims prevention measures are being mentioned at all levels.

[Ministry of Railways (Rly. Bd.) O.M. No. 87-BC-PAC/VIII/84 dated 19.1.1988]

Recommendation

The Committee have been given to understand that freight earnings from bulk commodities, mainly foodgrains and pulses do not cover their haulage cost and the Railways earn surplus only from the freight on high rated commodities such as tea, edible oils, jute, leather goods, motor cars and tractor parts etc. Despite increase in their production ranging between 8 to 33 per cent during 1977-78 to 1981-82, the loading of these commodities on the Railways declined resulting in loss of earnings to the extent of Rs. 77.46 crores. According to Audit, this declining trend continued even thereafter. Even according to Railways themselves, the loading of these high profit yielding commodities in 1984-85 was 85.73 lakh tonnes (earnings Rs. 249.48 crores) as compared to that of 89.42 lakhs tonnes (earnings Rs. 257.91 crores) in 1983-84. This decline in the traffic has been attributed by the Railways partly to the fact that they prefer loading of goods in full block rakes and therefore are not in a position to meet the full demand of high rated commodities which are generally offered for piecemeal loading and partly due to gradual diversion of general goods traffic to road due to inherent advantages of road transport. Ministry of Railways have stated in this connection that regular analysis of decline in this traffic is done by the Marketing Organisation for effecting improvement and some measures have been taken to improve the position in this regard. However, the Committee suggest that this decline in traffic may well be due to the high incidence of claims of account of loss and damage. It is evident from the analysis of the percentage of compensation paid to the revenue earned that half of the amount paid in a year as compensation is on the high profit yielding commodities which constitute only 20 per cent of the earnings of the Railways. Further, the percentage

of amount of compensation paid to the traffic earning is particularly high in respect of certain commodities. In the year 1983-84, 40.0 per cent of the freight on leather goods, was paid back as compensation for goods lost, damaged etc. This percentage was 22.39 in case of piece goods, 17.46 in case of spices, 7.55 in case of motor cars and tractor parts etc. in the same year as compared to the average percentage of 0.84 only, for all the goods transported by the Railways. The Committee are, therefore, inclined to conclude that the profitability of railway operations would improve if there is an increase in the traffic of high rated commodities and decrease in the incidence of claims due to loss and damage in respect of these commodities. Efforts should be made in this direction.

[S.No. 7 Para 30 of 84th Report of PAC(1986-87) VIII Lok Sabha]

Action taken

As a result of rapid growth in agricultural and industrial products, demand for rail transport has phenomenally increased in recent years. In order to cope up with the demand, the Railways had to devise ways and means to optimise the utilisation of wagons. One of the measures which has been successfully adopted to meet this increasing demand is to organise movement in train loads. Therefore, Railways felt necessary to switch over from the concept of loading and movement in small and wagon loads to loading and movement in train loads. As a result of this change in the policy and pattern of movement, priority had to be given to the Plan Head commodities, namely Coal, Raw-materials to Steel Plants, Pig-iron and finished steel from Steel Plants, Iron Ore for export, Cement, Foodgrains, Fertilizers and Petroleum products. Even in the group of commodities falling under "other goods", the bulk comes from raw materials and essential goods like lime-stone, Dolomite, Salt, Gypsum, Soda Ash, Bamboos, Fodder, etc. Thus general goods which were traditionally classified at higher rates suffered a set back for sheer inability of the Railways to accept traffic in piece-meal.

2. It may also be mentioned that the commodities which are higher classified need not necessarily be profit yielding due to their piece-meal movement, less loadability, higher incidence of claims etc. In fact, classification of some of the low rated commodities like coal, foodgrains, salt, lime-stone, etc. have been sufficiently raised in the last few years, and therefore, taking all commodities together, freight traffic is no more a losing proposition.

3. Railways have been keeping a special watch on the loading of 35 Groups of selected high profit yielding (HPY) commodities. As against 89.87 lakhs tonnes of HPY commodities, loaded in 1984-85, the quantum of such commodities loaded in 1985-86 rose to 100.47 lakh tonnes, representing an increase of 11%. During this period, the freight earnings also increased from Rs. 249.99 crores to Rs. 329.49 crores, i.e. by 31%. However, during 1986-87, the loading of HPY commodities declined and

dropped to 93.10 lakh tonnes and earnings to Rs. 321.93 crores. The set back in the performance of these commodities in 1986-87 is attributable to drop in loading of commodities such as Rubber, Jute, Paper and Oil Seeds due to less production, and Sugar due to less import. In fact, sugar alone accounted for a loss of loading potential to the extent of 7.36 lakh tonnes.

4. Efforts are being made to prevent incidence of loss and damage to goods which, *inter alia*, include (i) proper documentation, (ii) proper labelling, marking and packing, (iii) patrolling by RPF staff in vulnerable yards, (iv) monsoon precautions, etc.

[Ministry of Railways (Rly. Bd.) O.M. No. 87-BC-PAC/VIII/84 dated 19.1.88]

Recommendation

31. The Committee observe from the Report of the Comptroller and Auditor General of India (Railways) for the year 1981-82 that the container services were introduced in the year 1966 and by the year 1981-82, 16 routes for container services were established. One of the ways in which constly traffic can be weaned over from road transport could be by providing efficient container service which can compete effectively with the road services. Apart from greater safety container service provides door to door delivery. It is unfortunate that the Railways have not developed this service in a bigger way. The Committee recommend that feasibility of introducing container services on a larger number of routes to meet the needs of small indentors as well as to provide effective, safe and pilfer-proof delivery of the costly goods may be examined. The Committee would like to be apprised of the result of such a study.

[S.No. 8 para 31 of 84th Report of PAC (1986-87) VIII Lck Sabha]

Action taken

The first Domestic Container Service was introduced on Indian Railways between Bombay and Ahmedabad in January 1966. This beginning was made with a view to capture some of the high rated traffic, as containerisation has advantages like door to door service, reduction in packing costs, etc. Over the Years, the service was progressively extended to some selected important industrial and commercial centres. There are 8 Container Terminals for domestic containers and at present the service is available between 16 pairs of stations.

A statement showing the number of containers loaded and earnings years-wise from 1966-67 to 1986-87 and 1987-88 (Upto Sept. 1987) is

enclosed as Annexure-I. The higher water mark was touched in 1980-81, when the loading stood at 43,649 containers. The loading declined thereafter and was 32,276 during 1983-84. The main reason for decline in domestic container traffic is stiffer competition offered by road operators who are able to carry the goods much faster than the Railways and at competitive rates. The volume of container traffic is not substantial enough to lend itself to train load movement. From details given in Annexure-II indicating loading of domestic containers during December 1986, it will be seen that the maximum movement was between Howrah and New Delhi, and averaged 11.5 containers per day which is equivalent to only two flats per day. This low trend of traffic necessarily involves multiple handlings and slow movement.

Marketing strategies and plans to capture more traffic were, however, intensified. As a result, the declining trend in loading of containers was arrested, and loading showed some improvement in the subsequent years. During 1985-86, the Railways had loaded 35,155 containers, which number rose to 38,433 in 1986-87. The tempo of improvement in loading is reflected in the current year also, in that during April to September, 1987 the loading was to the tune of 19,845 containers as against 18,582 containers in the corresponding period of last year.

Establishment of a domestic container terminal requires heavy capital investment on account of procurement of cranes and road lorries. In view of the low potential of traffic which is not amenable to train load movement, introduction of domestic container service on new routes does not appear to be financially justified. More over, 5 tonne container in use on domestic container circuit is fast becoming outdated in view of the growing trend towards 20' / 40' ISO type containers all the world over. It has been decided that the domestic container terminals will be established along side the Inland Container Depots which are likely to be set up in large numbers for dealing with import / export cargo. It would be possible to use the same equipment for dealing with domestic containers also, thereby reducing the cost of establishment of domestic container terminals. It would then also be possible to utilise ISO containers moving in empty direction for clearing domestic cargo.

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

“The review of container service is separately under review by Audit and we have no remarks at this stage”.

[Ministry of Railways (Rly. Bd) O.M. No. 87-BC-PAC / VIII / 84 dated 6.5.88]

ANNEXURE-I

Statement showing number of domestic containers loaded and earnings from 1966-67 to 1986-87

Year	No. of containers loaded	Earnings Rs.
1966-67	1,864	3.68 lakhs
1967-68	3,500	9.34 "
1968-69	9,306	34.94 "
1969-70	20,484	73.15 "
1970-71	25,585	97.88 "
1971-72	31,880	143.72 "
1972-73	28,759	140.60 "
1973-74	29,205	157.38 "
1974-75	30,329	203.58 "
1975-76	36,939	270.99 "
1976-77	43,052	338.44 "
1977-78	40,399	321.67 "
1978-79	39,762	328.12 "
1979-80	42,850	415.65 "
1980-81	43,649	510.51 "
1981-82	37,864	541.98 "
1982-83	36,173	597.36 "
1983-84	32,276	537.96 "
1984-85	36,779	605.53 "
1985-86	35,155	632.79 "
1986-87	38,433	688.75 "
April—Sept. 1987	19,845	395.48 "
April—Sept. 1986	18,582	333.40 "

ANNEXURE-II

Statement showing number of Domestic Containers loaded and moved during December, 1986 between 16 pairs of points.

Sl. No.	Routes	No. of containers loaded
1.	New Delhi-Carnac Bridge	147
	Carnac Bridge-New Delhi.	170
2.	New Delhi-Howrah	227
	Howrah-New Delhi	346
3.*	New Delhi-Tondiarpet (Madras)	132
	Tondiarpet(Madras)-New Delhi	145
4.*	New Delhi-Bangalore	118
	Bangalore-New Delhi	

*These services pertain to Southern Railway.

Sl. No.	Routes	No. Of containers loaded
5.	New Delhi-Sanatnagar(Secunderabad)	56
	Sanatnagar(Secunderabad)-New Delhi	81
6.	Howrah-Kanpur	39
	Kanpur-Howrah	-
7.	Howrah-Varanasi	132
	Varanasi-Howrah	-
8.*	Wadi Bunder-Tondiarpet (Madras)	63
	Tondiarpet (Madras)-Wadi Bunder	20
9.*	Wadi Bunder-Bangalore	233
	Bangalore-Wadi Bunder	40
10.	Wadi Bunder-Shalimar	161
	Shalimar-Wadi Bunder	97
11.	Wadi Bunder-Sanatnagar (Secunderabad)	32
	Sanatnagar (Secunderabad)-Wadi Bunder	-
12.*	Tondiarpet (Madras)-Shalimar	93
	Shalimar-Tondiarpet (Madras)	267
13.*	Tondiarpet (Madras)-Sanatnagar (Secunderabad)	3
	Sanatnagar (Secunderabad)-Tondiarpet (Madras)	3
14.*	Bangalore-Shalimar	76
	Shalimar-Bangalore	137
15	Shalimar-Sanatnagar (Secunderabad)	8
	Sanatnagar (Secunderabad)-Shalimar	32
16.	Shalimar-Vijaywada	66
	Vijaywada-Shalimar	12

*These services pertain to Southern Railway.

Recommendation

The Committee note that the facilities for panel patching created in the sick lines and workshops laid down a monthly target of 25,500 wagons to be attended to equivalent to yearly target of 3,06,000. Against this target, the outturn of wagons was 2,29,111 during 1982-83 and 2,44,432 during 1983-84, showing capacity utilisation of 74.9 per cent and 79.9 per cent respectively. The under-utilisation of capacity to the extent of 20-25 percent resulted in continued circulation of pannel-cut-body-hole wagons, which was avoidable. From the figures of capacity utilisation of workshops in panel patching facilities of Zonal Railways, it is seen that, except on Northern and North-East Frontier Railways there is need for improvement in all other Railways. According to the Ministry, a major factor which contributed to this lower capacity utilisation was the diversion of resources to attend to BOX wagons which had to be attended to on war footing due to heavy corrosion. In any case, the factor of corrosion was not unexpected and resources could have been provided therefor. The Committee take the

view that it should have been possible with greater coordination to have achieved a more satisfactory level of utilisation of established capacity. The Committee would like to be assured that the established capacity is now fully utilised and no faulty wagons are in use.

[S. No. 14 Para 68 of 84th Report of PAC (1986-87) VIII Lok Sabha]

Action Taken

Absolute number of patches is not the criterion for utilisation of panel patching capacity. The utilisation of panel patching capacity is a function of patch periphery. It is possible to turn out wagons with lesser number of patches, but with larger patch periphery, involving greater number of rivets, larger amount of sealing compound and in consequence larger utilisation of human and other resources.

With the ever increasing utilisation of goods stock—

- NTKMs per Wagon Day going up from 1112 in 1981-82 to 1296 in 1985-86,
 - originating tonnage during the same period going from 215.3 million tonnes to 255.1 million tonnes in 1985-86,
- the corresponding wear and tear on the freight stock has gone up. The human resources have remained more or less static. As such, there has been no under-utilisation of repair capacity.

Railways have since been asked to review their panel patching target and staff in consonance with the existing workload in totality vide Board's letter No. 87/M(N)/18/2 dated 21.12.1987 (copy enclosed as Annexure)

[Ministry of Railways (Rly. Bd.) O.M. No. 87-BC-PAC/VIII/84 dated 19.1.88]

ANNEXURE

Government of India
Ministry of Railways
(Railway Board)

No. 87/M(N)/18/2.

New Delhi, 21/12/87.

The General Managers/Mech.
All Indian Railways.

Sub: Facilities for panel patching;

- Ref: (i) Railway Board's wire No.
80/M(D)/849/7 dated 27.9.80;
(ii) Railway Board's letter No.
87/M(N)/18/2 dt. 16/20.10.87.

Facilities for panel patching were set up in the year 1973. Public

Accounts Committee has now raised the issue of non-utilisation of this capacity.

The pattern and quantum of workload, since these facilities were set up has undergone a sea change. Some of the factors being increased — condemnation of overaged covered stock, gradual reduction in overdue POH wagons, changed age profile of the fleet, increased tempo of corrosion repairs and the greater utilisations of wagons leading to greater component wear, etc.

It is, therefore, necessary to review the panel patching targets and adjust the original manpower resources accordingly in keeping with the overall load arisings.

Railway may review the panel patching targets, simultaneously ensuring that no manpower assets are wasted and intimate the Board the revised targets as per proforma enclosed.

Sd/-

(O.F.H. JUNG),

Exec. Director Mech, Engg/RS,
Railway Board

Encl: as above.

Railway:

REVISED TARGETS FOR PANEL PATCHING

Av. No. of wagons to be attended for panel patching (in terms of 4-wheeler units)		Av. No. of Standard patches during the month		Av. No. of small patches		Total No. of staff for panel patching
Present Target.	Revised Target.	Present Target	Revised Target	Present Target	Revised Target	
		Total	Av. per wagon.	Total	Av. per Wagon.	Total
Covered (Bogie & 4-wheeler)						
Open — (Bogie & 4-wheeler)						
TOTAL						

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

-NIL-

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

-Nil-

NEW DELHI;
13 October, 1989
21 Asvina, 1911(Saka)

P. KOLANDAIVELU,
Chairman,
Public Accounts Committee

PART II

MINUTES OF THE 14TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 12.10.1989.

The Committee sat from 1500 hrs. to 1600 hrs.

PRESENT

Shri P. Kolandaivelu—*Chairman*

MEMBERS

2. Shri Chhitubhai Gamit
3. Shri Y.S. Mahajan
4. Maj. Gen. R.S. Sparrow
5. Dr. Chandra Shekhar Tripathi
6. Shri Vir Sen
7. Shri G.S. Rajhans
8. Shri Rameshwar Thakur
9. Shri Jagesh Desai
10. Shri Surender Singh
11. Shri Ghulam Rasool Matto

SECRETARIAT

1. Shri G.L. Batra—*Joint Secretary*
2. Shri K.K. Sharma—*Director*
3. Shri A. Subramanian—*Senior Financial Committee Officer*
4. Shri N.M. Jain — *Under Secretary*

REPRESENTATIVES OF AUDIT

1. Shri R. Parameswar—*ADA1 (Rlys.)*
2. Shri S.B. Krishnan—*Director (Reports)*
3. Shri A.H. Jung—*Director of Audit CR-II*
4. Shri K. Jayaraman—*Dy. Director (Rlys.)*

The Committee considered and adopted the following Draft Action Taken Reports:

- (i) On the recommendations contained in 84th Report of PAC (8th Lok Sabha) regarding Review on Compensation Claims.
- (ii) **** **** ****

The Committee authorised the Chairman to finalise the Draft Report in the light of verbal and consequential changes arising out of factual verification by audit and present the same to the House.

- (ii) **** **** ****

The Committee then adjourned.

APPENDIX I

- (i) **Observations/Recommendations that have been noted/accepted by Government:**

Sl. Nos. 3-6, 9-13 and 15-22.

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

Sl. Nos. 1,2,7,8 and 14.

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

NIL

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

NIL

APPENDIX II

Observations / Recommendations of the Committee

Sl. No.	Para No.	Ministry/ Deptt. Concerned	Observation / Recommendations
(1)	(2)	(3)	(4)
1.	6	Railways	<p>On the anxiety expressed by the Committee in their Eighty-fourth Report over the increase in the percentage of claims settled by payment in respect of loss/theft of complete consignments to the total claims cases, the Ministry in their action taken note have stated that this percentage has come down from 36.82 in 1983-84 to 33.17 in 1985-86. However, the Ministry have not furnished figures relating to later years i.e. for 1986-87 and 1987-88. The Committee would like to be informed of the percentage of claims settled on account of complete loss of consignments in respect of these years also. The Committee feel that this marginal decrease cannot be a cause of complacency and the Ministry of Railways should continue to make concerted efforts to bring down the figures still further. The Committee feel that in any case the Ministry of Railways should conduct a thorough study, as suggested earlier, so as to analyse the reasons therefor and take appropriate remedial measures to check the increasing trend.</p>
2.	11	Railways	<p>The statistics furnished by the Ministry reveal that despite the increase in strength of RPF personnel there has been decline in the total No. of goods trains escorted by RPF from 1,91,201 in 1977-78 to 1,10,035 in 1986-87 and in the total No. of patrolling parties deployed from 1,12,965 in 1977-78 to 80,840 in 1986-87. Similarly the total No. of pickets posted which was 1,50,492 in 1977-78 has gone down to 1,13,531 in 1986-87. These figures obviously disclaim the Ministry's contention that the performance of RPF has been quite satisfactory. This is also evident from the statistics</p>

pertaining to theft / pilferage of booked assignment which reveal that percentage of recovery which was 11.51 in 1977-78 and 12.56 in 1982-83 has come down to 6.46% in 1986-87, which indicates a very unsatisfactory position. Again the total arrests made in 1986-87 were 2458 as against 4757 in 1977-78 and 5457 in 1982-83. The Committee would like the Railways to examine whether this state of affairs is due to the deployment of large No. of RPF personnel for unscheduled duties or due to complacency shown by them while discharging their assigned duties. The Committee, therefore, desire that the Railways should ensure utilisation of RPF commensurate with their strength so that at least the levels of achievements of the years 1977-78 and 1982-83 could be achieved and maintained.

3. 15 **Railways** While pointing out the time (average 21 months) taken up by Railways to finalise action against staff in Inter Railway liability cases for the loss the damage of goods as too long, the Committee had asked the Railways to take steps to ensure that the staff responsibility in such cases is fixed expeditiously. Action taken note of the Railways merely mentions about the instructions reiterated to Zonal Railways for taking prompt and strict action against staff found responsible for loss and damage and does not indicate whether any time limit has been fixed within which the staff responsibility in these cases should be finalised as to expedite the finalisation of the claims cases nor the progress made in this regard in the subsequent years. The Committee desire that Railways should prescribe some norms / targets in this regard and ensure the fixation of staff responsibility within that period. The Committee would also like to be apprised of the latest position in this regard.

