

**RAILWAY CONVENTION  
COMMITTEE  
(1973)**

**EIGHTH REPORT**

**ON**

**RAILWAYS' FOURTH & FIFTH FIVE YEAR  
PLANS AND OTHER ANCILLARY MATTERS**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*September, 1975/Bhadra, 1897 (S)*

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Eighth Report of the Railway Convention Committee, 1973 on "Railways'  
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RAILWAY CONVENTION COMMITTEE

(1973)

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Shri Jainti Prasad Goel—*Senior Financial Committee Officer*

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\*Nominated on the 29th March, 1975 *vice* Shri L. N. Mishra *died*.

\*\*Nominated on the 5th December, 1974 *vice* Shri Y. B. Chavan resigned from the membership of the Committee.

@ Nominated on the 9th May, 1974 *vice* Dr. Bhai Mahavir *retired* from Rajya Sabha and Sarvashri H. D. Malaviya and Mohd. Usman Arif *resigned* from the Membership of the Committee.

## INTRODUCTION

I, the Chairman, of the Railway Convention Committee, 1973, having been authorised by the Committee to present this Eighth Report on their behalf present this Report on "Railways' Fourth and Fifth Five Year Plans and other Ancillary Matters."

2. The Railway Convention Committee took the evidence of the representatives of the Ministry of Railways, Ministry of Steel and Mines, Ministry of Energy and the Planning Commission on the above subject on the 25th and 26th November, 1974.

3. The Committee wish to express their thanks to the Chairman and Members of the Railway Board and the Financial Commissioner for Railways for placing before the Committee the material that they wanted in connection with the examination of the subject.

4. The Report was considered by the Committee at their sittings held on the 11th and 28th August, 1975 and adopted on the 28th August, 1975.

5. The summary of recommendations/conclusions contained in the Report is appended to the Report (Appendix XVII).

NEW DELHI;  
September 5, 1975.  
Bhadra 14, 1897 (S).

B. S. MURTHY,  
*Chairman,*  
*Railway Convention Committee.*

## METHODOLOGY OF PLANNING

### A. Planning at Zonal/Divisional Levels

The Committee enquired about the methodology of Railway planning and the steps taken to involve the Zonal Railways in the planning process so that the targets that were set were realistic and responsibility could be fixed for any shortfalls that might occur in the attainment of the physical targets. In a note on the subject, the Ministry of Railways have stated:—

“Assessment of traffic for a Plan period is made by the Railways in consultation with their major users. To begin with, the anticipated traffic under major commodity-heads is determined by a Working Group which includes representatives of various Economic Ministries, Public Sector Undertakings and the Planning Commission. By this process, the generation of additional traffic as a result of setting up of new major projects|schemes which are planned and approved by the economic Ministries|Planning Commission and of which they have the requisite knowledge, is fully catered for in planning the rail infra-structure facilities. Before finalising the Plans, the local knowledge available with the Zonal Railways is also made full use of which is inter-woven with the information collected from the Economic Ministries|Planning Commission. Experience has, however, shown that at the Divisional or Zonal level the knowledge available regarding major projects|schemes is not as comprehensive or authoritative as is available with the concerned Ministries.

“From the above, however, it would not be correct to assume that Zonal Railways are not involved in the planning processes of the Railways. After the assessment of overall traffic has been prepared by the Railway Board in consultation with user Ministries and Planning Commission, the information so collected is passed on to the Zonal Railways who in their turn correlate the same with the information collected by them locally. Liaison is maintained by the Zonal Railways with various Departments and agencies of State Governments as well as with major industrial and other Undertakings situated within their jurisdiction. Each

Zonal Railway then makes its own assessment of the anticipated traffic within the overall framework furnished to them by the Railway Board and initiates action for creation of the requisite capacity on its system to handle the anticipated traffic. For this purpose, the Zonal Railways ask the Railway Board for sanctions for undertaking detailed traffic and/or engineering surveys, techno-economic studies and cost-cum-feasibility studies, etc.

“While the Zonal Railways are fully associated and involved in the planning processes of the Railways and do make their assessment of the likely trends of traffic during the Plan period, fixation of specific traffic targets for each zone for the Plan period as a whole has not been found feasible. While the major Economic Ministries are able to indicate the major projects likely to be set up during the plan period and also indicate the possible location thereof, they are unable to indicate the zone-wise requirements of rail transport for these projects. Similarly, the data available with other rail users, trade and industry is neither sufficient nor, in many cases, reliable to enable Railways to accurately assess the share of each Zonal Railway in the anticipated traffic likely to be generated.

“As explained above, in the absence of sufficient and reliable basic data, it has not been found feasible to fix Railway-wise traffic targets for the Plan period as a whole. At the same time, Zonal Railways are given targets of traffic for each individual year of the Plan at the commencement thereof and are held accountable for fulfilment or otherwise of these targets. It may, however, be clarified that fixation of these targets is done more on the basis of past performance and known developments in the areas served by each Zonal Railway rather than on detailed information of the requirement of rail transport of the rail users which, unfortunately, is not available.

“It has always been the endeavour of the Railways to make their assessment of traffic as accurate as possible. It has, however, to be appreciated that in making their assessment they have to necessarily depend upon the information made available to them by various Central Government Economic Ministries, Planning Commission, State Governments, major Public Sector Undertakings and other rail

users. To the extent the data furnished to the Railways proves wrong or inaccurate, the Railways' assessment is bound to be vitiated.

“With a view to making their assessment of the traffic during the V Plan more accurate, the Railways have taken yet another forward step for undertaking detailed studies of the likely quantum and pattern of movement of the major commodities that require rail transport. Special mention in this regard needs to be made of the Coal Transport Studies recently completed by the Railways with the help of two Study Teams specially appointed by them for the purpose. While one of the Study Teams studied the likely production and requirement of rail transport of coal from Bengal and Bihar coalfields, the other Study Team concentrated on making similar assessment for the outlying coal fields in the country. These studies are likely to be of considerable use and advantage to the Railways in not only assessing the likely quantum of coal movement by rail from Bengal/Bihar and the outlying coal fields but also in pin-pointing the requirements of various rail facilities required for handling the likely quantum of coal traffic. It may, however, be reiterated here that the results of these studies are valid to the extent the assumptions made for the likely production of coal in different coalfields (which information has been obtained from the Department of Mines, the Coal Mines Authority Ltd., the Bharat Coking Coal Ltd., etc.) prove to be correct.”

1.2. In reply to a question if any efforts had been made at the Divisional and Zonal Levels to obtain detailed information from the principal/bulk users of rail transport regarding their requirements so as to ensure that funds were spent on projects which were necessary for meeting pressing public requirements, the Ministry of Railways have stated that during the Fourth Five Year Plan and earlier, the machinery available on the Zonal Railways and on the Divisions was not adequate for the purpose of assessment of traffic needs of the users. Accordingly, after obtaining the requisite information on an all-India basis from the user Ministries at Railway Board level, indications of the major developments in industry, agriculture, mining, etc. were furnished to the Zonal Railways who were then asked to make an assessment of the likely growth of traffic on their systems. The planning machinery on the Zonal Railways has recently been strengthened with the setting up of Central Planning Organisations. These organisations are presently engaged in the

preparation of Zonal corporate plans covering a period of 15 years. Assessment of the traffic requirements during this period is now being done by establishing contacts with the major users located within the jurisdiction of each Railway.

1.3 Yet another step taken by the Railways for making the assessment of traffic more realistic is to undertake detailed transport planning studies for major commodities. These studies in respect of coal traffic, which constitutes nearly 1/3rd of the total freight traffic on the Indian Railways, have already been completed and similar studies in respect of other major commodities are in progress.

1.4 The Ministry of Railways have further stated that before major projects for creation of additional capacity are sanctioned, a very close look is taken at the need thereof both at the Zonal Railway level as well as at the Railway Board Level. For all line capacity and other schemes costing Rs. 20 lakhs and above, detailed traffic and/or engineering surveys are undertaken to assess the need and extent of the facilities required. These projects are then submitted by the Railways for consideration of the Railway Board and detailed discussions take place before the same are included in the Final Works Programmes. As an overall view of the developments in various sectors in the country is available at the Railway Board level, allocation of funds and determination of priorities between different schemes/projects is done by the Railway Board in consultation with the Zonal Railways.

1.5 The Ministry have further informed the Committee that based on the budgeted anticipations of traffic, targets of loading are notified to the various Zonal Railways keeping in view the past trends and updating them in the light of known developments. The Zonal Railways, in turn, fix local loading targets for the various Divisions. Apart from the overall loading and movement of traffic, a watch is kept on the daily loading of important commodities in relation to the targets prescribed at all levels i.e. Divisional and Zonal.

1.6 The Indian Institute of Management have observed as under in their Report on "Marketing Approach to freight earnings of Indian Railways—A study of Western Railway":—

"The main drawback in the Railways' planning system is that there is always an over-estimation of goods traffic and earnings without regard to the competitive conditions. Annual estimates are made on the basis of expected economic growth without any attention to the marketing inputs that would be required to achieve the growth

targets. In fact the targets are set only at the macro level without being broken down into operational levels. As a result, at the end of the Plan period, only a theoretical comparison can be made with what was expected and what was achieved without taking into account the realities of the marketing conditions. If plans have any operational meaning, they should not only be realistically developed but also clear responsibilities be assigned for their achievement to the people who have to operate them. It is, therefore, necessary that:

- (a) Railways should make a systematic assessment of the total freight business by markets and by major product categories;
- (b) realistically assess the competition at the territory level;
- (c) set targets at the field level with full involvement of the people who have to achieve them;
- (d) ask marketing people in the field to submit an operational plan which spells out the strategy of achieving targets; and
- (e) measure performance against the targets with an appropriate reward and punishment system for success or failure, keeping in view any special unexpected development."

1.7 In view of the above observations of the Indian Institute of Management, the Committee enquired about the steps taken or proposed to be taken by the Railway Board to utilise the agencies at the station, division and zonal levels in a more purposeful manner for determining the trends in traffic growth in a realistic manner and also to ensure that there was no diversion of high rated traffic to roads. In a note furnished to the Committee on the subject, the Ministry of Railways have stated that a large quantum of traffic moved by the Railways consists of committed programmed traffic like coal for steel plants, public, Power Houses, Railways, etc., raw materials to steel plants and finished products from steel plants, iron ore for export, foodgrains, fertilizers, petroleum products, cement, etc. This will constitute about 75 per cent of the total volume of the revenue earning traffic moved and the planning for the movement of this traffic is done in consultation with the Ministries concerned and there is no question of any competitive conditions with regard to this traffic.

1.6. The question of competition comes only in regard to the remaining 25 per cent of the traffic moved by the Railways and in this case also, some of the traffic such as timber, bamboos, and, fodder, salt, etc. (which form about 10 per cent of the total traffic), cannot possibly be moved by road in any appreciable quantities as these commodities cannot bear the cost of movement by road particularly for medium and long distance hauls and road vehicles also cannot handle this amount of bulk. Really speaking, therefore only about 15 per cent of the total originating traffic on the Railways can be said to be subject to competition. This position is under special watch by the Marketing & Sales Organisation of the Railways and all possible measures are taken in order to ensure that the diversion of particularly high-rated traffic to roads is kept to the very minimum. As conditions stand, with the States issuing inter-State licences to road hauliers and the road hauliers being able to quote special rates without regard to any principles or charges of discrimination (which the Railways cannot do), there will always be some traffic that will be attracted by the road. This process of reducing diversion of traffic to road is a continuous one and from time to time, various steps are being taken to check this erosion of rail traffic.

1.9 The Committee note that in the absence of sufficient and reliable basic data, it has not been found feasible to fix Railway-wise (Zonal) traffic targets for the Plan period as a whole. They also note that fixation of these targets is done "more on the basis of past performance and known developments in the areas served by each Zonal Railway rather than on detailed information of the requirement of rail transport, of the rail users, which unfortunately is not available."

1.10 The Committee further note that during the Fourth Plan period and earlier, the machinery available on the Zonal Railways and on the Divisions was not adequate for the purpose of assessment of traffic needs of the users. As the Railways have been handicapped for want of sufficient data from the concerned Ministries and other principal rail users, the Railway Board have now taken steps to strengthen the planning machinery on the Zonal Railways by setting up Central Planning Organisations. Detailed transport planning studies for major commodities are also stated to have been undertaken to make planning more realistic.

1.11. The Committee recognise that Railway Planning is largely derivative planning based on development programmes of and assessment of traffic given by the various Ministries, but the experience of the long past shows that the forecast of traffic given in this manner



has often gone off the mark. The Committee wish to emphasise that the estimates of traffic as given by different Ministries should be subjected to a detailed scrutiny by the Planning Commission in consultation with the Railway Board, who should get feed back from the Zonal Railways based on their local knowledge. The Committee trust that the setting up of Central Planning Organisations at the Zonal Level would go a long way in making Railway plans more realistic.

1.12 As pointed out by the Public Accounts Committee in their various Reports \*on Railways and more recently by the Indian Institute of Management in their study of the Western Railway, the Railways tend to over-estimate their goods traffic and earnings without due regard to the competitive conditions. The Committee agree with the observations of the Institute that the Railways should make a systematic assessment of the total freight business by major product categories and set targets at the field level with full involvement of the people who have to achieve them. The detailed transport planning studies stated to have been undertaken recently by the Railway Board should, therefore, be completed expeditiously and updated from time to time with the help of the field agencies at the Divisional and Zonal levels.

1.13. The Committee would like to stress that the Railways after having set various targets as a result of such detailed studies should ensure their achievement by providing necessary incentives to the officers concerned who should be held accountable for lapses, if any. The targets and achievements should be critically reviewed every year and corrective measures taken, as necessary. These should also be mentioned specifically and in detail in the Annual Reports of the Railway Board/Zonal Railways.

#### B. Average Lead of Traffic

1.14 In their Report on Freight Traffic during the Fifth Five Year Plan, the Working Group have pointed out that the average

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\*22nd Report (Fourth Lok Sabha)—paras 1.27 & 1.28

49th Report (Fourth Lok Sabha)—paras 1.11 & 1.13

116th Report (Fourth Lok Sabha)—paras 1.23 & 1.25

45th Report (Fifth Lok Sabha)—paras 1.14

lead of traffic has shown considerable increase during the last few years as will be seen from the following figures:—

Year	Average Lead (in kms.)
1960-61	561
1965-66	576
1969-70	617
1970-71	648
1971-72	674

They have further observed:

“This continuing increase in the lead of traffic is rather disturbing as the additional capacity created by the Railways for movement of higher originating tonnage is eaten up by increasing lead of traffic.”

1.15 The Committee, therefore, enquired about the assumptions made with regard to the increase in the average lead of traffic during the Third and Fourth Plan both at the time of formulation of the Plans and their mid-term appraisal in respect of each of the major commodities, the extent to which these were realised and whether any steps were taken in the Fourth Plan period to rectify the imbalance in the Plan programmes due to the unexpected increase in lead. In a note submitted to the Committee on the subject, the Ministry of Railways have stated that no specific assumptions were made with regard to the anticipated increase in the average lead of traffic during the Third Five Year Plan both at the time of its formulation as well as at the mid-term appraisal. However, during the Third Plan period, the average lead of traffic increased from 561 kms. in 1960-61 to 576 kms. in 1965-66. The com-

modity-wise details are given below:—

(in Kilometres)

Commodity	1960-61	1965-66
I. (i) Public Coal—		
(a) Coal for Steel Plants . . . . .	281	302
(b) Coal for washeries . . . . .	803	21
(c) Coal for other users . . . . .		764
(d) Total Public Coal . . . . .	664	571
(ii) Railway Coal . . . . .	698	766
II. Raw Materials for Steel Plants . . . . .	189	192
III. Finished Products from Steel Plants . . . . .	874	821
IV. Cement . . . . .	372	456
V. Mineral Oils . . . . .	544	598
VI. Foodgrains . . . . .	760	808
VII. Other Revenue earning Commodities . . . . .	628	715
VIII. Railway Stores & Materials including Balast . . . . .	104	116
IX. All Goods . . . . .	561	576

1.16 As regards the Fourth Five Year Plan, formulation of the Plan was originally made on the basis of lifting 264.7 million tonnes of originating traffic at an average lead of 623 kms. However, at the time of mid-term appraisal in 1971, the target of originating traffic was fixed as 240.5 million tonnes at an anticipated average lead of 630 kms. Thus the overall work-load in terms of net tonne kms. (product of originating tonnage and the average lead) was estimated at 152 billion NTKMs. The table below indicates the variations between the original anticipations *vis-a-vis* the actual materialisation during 1972-73, the penultimate year and 1973-74.

the last year of the Fourth Plan:

Category of Traffic	Lead adopted in 264 mt exercise	Actual 1972-73	Lead in Kms. 1973-77 (Prov.)
<b>I. Steel Plants</b>			
(i) Finished products and Pig Iron . . . . .	1010	992	1009
(ii) Raw Materials . . . . .	201	169	168
<b>II. Coal</b>			
(i) Steel Plants . . . . .	334	376	357
(ii) Washeries . . . . .	18	29	28
(iii) Other Coal . . . . .	781	747	737
III. Export Ore . . . . .	589	492	506
IV. Cement . . . . .	553	641	626
V. Foodgrains . . . . .	943	1181	1114
VI. P.O.L . . . . .	572	614	638
VII. Fertilisers . . . . .	849	809	753
VIII. Railway Coal . . . . .	847	881	797
IX. Railway Material . . . . .	110	116	134
Overall . . . . .	723	678	662

1.17 It would be observed that the assumptions made were realized/exceeded in most cases apart from the fact that the overall average lead was considerably higher than what was assumed.

1.18. As regards the question of correcting the imbalances in the Fourth Plan programmes due to the unexpected increase in lead, the Ministry of Railways have stated that at the time of mid-term appraisal, actual provision made was for lifting 235 million tonnes of traffic at a lead of 630 kms. making an aggregate of 148 billion NTKMs. While it is a fact that there has been an increase in the average lead of traffic in excess of the anticipation, in terms of

originating tonnage lifted, there was downward trend as will be seen from the following figures:—

Year	Originating freight traffic (in m.t.)	Average Lead (in kms.)	NTKMs (in billions)
1969-70	207.9	643	128.2
1970-71	196.5	648	127.4
1971-72	197.3	674	133.3
1972-73	201.3	678	136.5
1973-74 (Ant.)	215.0	678	146.0
1973-74 (Act.) (Prov.)	184.9	662	122.4

1.19. It will be observed that the total workload involved in NTKMs was within what was actually planned and as such did not call for any change in Plan programmes

1.20. The Committee pointed out that at the time of mid-term appraisal the average lead of traffic had already gone up to 642 kms. in 1969-70 and 648 kms. in 1970-71. They, therefore, enquired why it was decided to adhere to the lower figure of 630 kms. The Ministry have replied that the Mid-term Appraisal of the Fourth Plan was carried out in January, 1971. By that time a definite picture of average lead was available only for the year 1969-70. While it is true that in that year the average lead had gone up to 643 kms., it was not anticipated that the same trend would continue, particularly as heavy increase in the movement of short-lead traffic in coal to steel plants and washeries (2 million tonnes), iron ore for export (8 million tonnes), raw material to steel plants (3 million tonnes), cement (4 million tonnes) and POL (4 million tonnes) was anticipated. It was, therefore, felt that the average lead for freight traffic during the Fourth Plan, though higher than the figure of 613 achieved in 1968-69 and the original anticipations of 623, would not increase substantially and would be around 630 kms.

1.21. In reply to a specific question whether at any stage during the Fourth Plan period efforts were made to lay down targets of traffic in terms of Net Tonne Kms. for the Plan period/each year of the Plan, and if so, what these targets were and how they were

arrived at, the Ministry have stated that "the traffic projections (as determined by the Working Group) are distributed between different gauges (Broad, Metre and Narrow) based on the past trend as well as by applying necessary corrections keeping in view the known developments. The targets of traffic, however, are not formulated in terms of net tonne kms. for the Plan period or each year of the Plan.

1.22. The Committee further enquired during evidence how in the absence of such information, the Railways could plan realistically, particularly in view of the fact that the average lead of traffic in respect of various major commodities had shown sharp increase during the Fourth Plan period *vis-a-vis* the anticipations. The representative of the Ministry of Railways explained that while it was true that the anticipations with regard to the originating traffic in various commodities had not materialised, the fact remained that the Railways had fully utilised the capacity that they had built up. This was evident from the steady increase in the total freight traffic output resulting from the sharp increase in the average lead of various streams of traffic. He added that if the Railways had been required to haul 240 million tonnes as envisaged at the time of mid-term appraisal and if the lead had also gone up beyond 630 kms. "there would have been transport bottleneck".

1.23. In a note furnished to the Committee on the subject, the Planning Commission have stated as follows:—

"In formulating the Five Year Plan of the Railways, it has been the usual practice to project the freight traffic by rail both in terms of originating tonnage and in terms of tonne kilometres. Originating tonnage estimates are useful in so far as they can be compared with production targets in various fields like Steel, Coal, Cement, Fertilisers. The Administrative Ministries and other producing agents would thus be enabled to have a clear appreciation of the tasks being targeted by Railways for movement. The originating tonnage target is usually given in terms of commodities of importance for Rail Movement, such as coal, finished steel, raw materials to Steel Plants, cement, iron ore for export, fertilisers. POL products and foodgrains.

Estimate of rail freight traffic in terms of tonne kilometres is also done because this is necessary to arrive at the locomotive and wagon requirements during the Plan period. This is estimated by multiplying the originating tonnage with the anticipated average lead of the commodity.

Tonne kilometres really presents a more complete estimate of the transport output in the sense that it takes into account both the dimensions of the transportation job, namely the traffic originating and the distance to which the commodities are carried."

1.24. The Railway Convention Committee, 1971 in paragraph 1.30 of their Fifth Report on "Requirements and Availability of Wagons" had stressed the need to evolve a suitable criterion in the matter of laying down targets either in terms of originating tonnage or net tonne kms. or both in consultation with the Ministry of Finance and the Planning Commission so as to leave no room for ambiguity in this behalf in the Fifth Plan. In their 7th Report on action taken by Government on the above Report of the Railway Convention Committee, 1971, the (present) Committee have observed:—

"The Committee feel that the performance of a Department has to be evaluated in relation to the targets fixed and in this case, as the target was fixed in terms of originating tonnage, the evaluation of the performance will have to be done in terms of the originating traffic and any other factor like lead of traffic is merely incidental. The Committee, are, therefore, of the view that the explanation of the Railways that in terms of Net Tonne Kilometres they have achieved very nearly the target is a laboured one as the increase in the lead of traffic has come about by fortuitous circumstances, the Railways having never taken this factor into account at the planning stage."

1.25. In this connection, the Committee have noted with interest the observations of the representative of the Ministry of Railways that if the Railways had been required to haul 240 million tonnes of originating traffic and if the lead had also gone up beyond 630 kms., "there would have been transport bottleneck".

1.26. The Committee would, therefore, once again emphasise that for drawing up a realistic plan, it is essential to specify the total dimensions of the transportation job which, in this case, is possible only when both the originating tonnage and the distance over which each major commodity would be required to be carried, are ascertained scientifically in advance as a result of detailed studies. The Committee would, therefore, reiterate the need for the Ministry of Railways and the Planning Commission to address themselves squarely to this task so as to overcome this deficiency in Railway Planning as expeditiously as possible and provide firm basis for investment decisions and for evaluating performance.

## CHAPTER II

### FOURTH PLAN OUTLAY AND TARGETS

#### A. Financial and Physical targets for Third and Fourth Plans

2.1. The Committee enquired about the total outlay on the Railways during the Third and Fourth Five Year Plans, as originally approved by the Planning Commission and as subsequently revised at the time of mid-term appraisal and the actual expenditure during each of these two Plans. They also called for information regarding the original and revised targets of originating traffic fixed by the Planning Commission for the Third and Fourth Plans and the actual traffic lifted at the end of each Plan. The Ministry of Railways have furnished the following information:

“During the Third and Fourth Five Year Plans of the Railways the total outlay originally approved by the Planning Commission was Rs. 1325 and Rs. 1525 crores respectively. However, during the mid-term appraisal, the outlay for the Third Five Year Plan and the Fourth Five Year Plan **was revised to** Rs. 1581.5 crores and Rs. 1400 crores respectively. The actual expenditure during the Third Five Year Plan was Rs. 1685.8 crores while during the Fourth Five Year Plan it was estimated to be Rs. 1419.49 crores.

“The major commodity-wise targets of originating traffic as initially fixed by the Planning Commission, revised at the time of the mid-term appraisal and the actual materialisation during the last year of each of the Third and Fourth Five Year Plans are indicated below:—

(In million tonnes)

	Third Plan			Fourth Plan		
	Original estimates March, 1961	Mid-term App. Nov., 1963	Actual materialisation, 1955-66	Original estimates	Mid-term app.	Actual Materialisation 1973-74 (Expected)
1	2	3	4	5	6	7
Coal . . . . .	91.4	89.0	66.7	84.4	77.5	62.4
<i>Steel Plants</i>						
Finished Products . . . . .	8.4	7.1	6.3	10.0	8.0	6.1



	1	2	3	4	5	6	7.
Raw Materials excluding coal		26.1	19.8	17.4	27.7	21.0	15.9
Cement		12.2	10.5	8.6	12.6	13.25	10.0
Iron Ore for Export		11.2	8.0	5.2	16.0	16.0	8.4
General Goods		70.7	87.9	78.2	96.0	86.75	74.8
Railway material		22.9	22.9	20.6	18.0	18.0	7.6
Total		248.5	245.2	203.1	264.7	240.5	185.2

### B. Fourth Plan outlay and actual expenditure

2.2. The Committee further enquired about the reasons for reduction in the Fourth Plan outlay as well as the physical targets at the time of mid-term appraisal. In a note furnished to the Committee on the subject, the Ministry of Railways have stated that the Railway's initial Fourth Plan had provided for an outlay of Rs. 1525 crores corresponding to the originating freight traffic of 264.7 million tonnes by 1973-74. In the light of slower materialisation of freight traffic during the first two years of the Plan, a review was undertaken in January, 1971 and a revised target of originating freight traffic of 240.5 million tonnes by 1973-74 was fixed. Consequently, the Plan outlay was also reduced to Rs. 1275 crores. Subsequently, there were signs of a revival in the economy and an improvement in the law and order situation. Besides, demands for more new lines and conversion projects were pressed in the Parliament and by the State Governments. It was in this context that the Planning Commission were requested to restore the initial plan outlay of Rs. 1525 crores. However, having regard to the heavy pressures on the national economy as a result of the influx of refugees from the then East Pakistan, in the mid-term Appraisal the outlay on the Railways' Development Plan was revised to Rs. 1400 crores. This increased outlay was mainly to meet the need for additional funds arising because of the escalation in the cost of materials, a factor for which no allowance is made in the Railways' present planning process which is based on constant prices.

2.3. The Plan head-wise break-up of the outlay as originally fixed and revised at the time of the Mid-Term Appraisal of the Fourth

Plan and the actual estimated expenditure during the Plan was as under:

Plan Head	Original	Mid-term Plan Provision	Likely expenditure (Rupees in Crores)
1. Rolling stock . . . . .	620	568	587.18
2. Workshop & Sheds . . . . .	30	30	20.68
3. Machinery & Plants . . . . .	15	25	21.56
4. Track Renewals . . . . .	200	180	160.37
5. Bridge Works . . . . .	28	29	26.95
6. Line Capacity Works . . . . .	315	234	225.62
7. Signalling & Safety . . . . .	40	49	60.11
8. Electrification . . . . .	82	73	67.47
9. Other Electrical Works . . . . .	12	15	18.76
10. New Lines . . . . .	83	86	66.99
11. Staff Welfare . . . . .	15	20	15.32
12. Staff Quarters . . . . .	30	36	31.38
13. User' Amenities . . . . .	20	20	20.32
14. Other Specified Works . . . . .	10	10	9.53
15. Investment in Road Services . . . . .	10	10	13.16
16. Inventories . . . . .	15	15	74.09
<b>Total . . . . .</b>	<b>1525</b>	<b>1400</b>	<b>1419.49</b>

2.4. Brief reasons for increase/decrease under the various Plan-Heads are indicated below:—

(1) *Rolling Stock:*

Against the plan provision of Rs. 568 crores under 'Rolling Stock', the likely expenditure is of the order of Rs. 587 crores. The main reason for this increase is the steep escalation in the prices of Wagons, Locomotives and Coaches. It may not be out of place to mention here that at the time of formulation of the Fourth Plan, the unit price per electric locomotive was taken as Rs. 19 lakhs, which increased to Rs. 22 lakhs per electric locomotive in 1973-74 budget. However, reports from CLW show that the figure has since gone up

further by about Rs. 6 to 7 lakhs per unit. Similarly, in the case of diesel locomotives the price has gone up from Rs. 23 lakhs for BG main line locomotives at the time of midterm appraisal to about Rs. 27.5 lakhs per unit. Likewise, the price per wagon (4-wheelers) which was taken as Rs. 23,000 has increased to about Rs. 50,000 per wagon in terms of four wheeler in 1973-74.

It is on account of this steep escalation in prices that the actual expenditure has increased by about Rs. 19 crores, even though, in physical terms, there has been some shortfall.

**(2) Signalling and Safety Works:**

The provision made for Signalling and Safety Works as per revised Fourth Five Year Plan was Rs. 47.00 crores. This outlay of Rs. 47.00 crores for S&T works was subsequently increased to Rs. 49.00 crores. The increase that has taken place under this head has been due almost entirely to the escalation in prices during the Fourth Five Year Plan. No curtailment of the physical targets was considered desirable due to imperative need of providing reliable communications, to meet operational needs and to complete signalling works required to meet the line capacity and safety needs.

**(3) Staff Quarters:**

Against the Plan provision of Rs. 36 crores in respect of staff quarters, it will be seen that the estimated expenditure is likely to be of the order of Rs. 31.38 crores and not Rs. 65 crores as shown in the Draft Fifth Five Year Plan Document (which was a typographical error). The expenditure is slightly less as compared to the plan provision due to a ban imposed in 1973-74 by the Ministry of Finance on the construction of new quarters or further work on quarters which had not reached the plinth level.

**(4) Inventories:**

Under the Plan head 'Inventories', the provision of Rs. 15 crores was made for the Fourth Five Year Plan. Against this, the total expenditure comes to about Rs. 74 crores upto the end of the Fourth Plan. In this connection, it is pointed out that during last 5 years the wholesale commodity price index has increased from 165.3 in 1968 to 270 in January, 1974. It will thus be seen that the price index has increased by nearly 50 per cent in 1973-74 when compared to 1968 prices. Despite this the increases in stores balances have been restricted to a low percentage by adopting better methods of inventory

management which has neutralised to a large extent the effect of the price increase. There has been similar increase in manufacturing suspense.

*(5) Workshops and Sheds:*

Against the plan provision of Rs. 30 crores under the plan head 'Workshop & Sheds', the likely expenditure during the Fourth Five Year Plan is of the order of Rs. 20.68 crores. The reasons for shortfall in expenditure are that the progress of works under this plan head was less than the anticipation and also due to a cut of 10 per cent imposed during the last year of the Fourth Five Year Plan i.e. 1973-74.

*(6) Track Renewals:*

The decline in the figures of the anticipated expenditure under this Plan Head at the end of the 4th Plan is accounted for by higher credit for the released materials than anticipated at the time of Plan provision. This was mainly on account of increased steel prices. Some shortfall is also attributed to the shortage of rails and sleepers during the first 3 years of the Plan as well as the current shortage of steel in the country.

*(7) Line Capacity Works:*

The provision under the Plan head during the Fourth Five Year Plan was Rs. 234 crores. Against this the likely expenditure will be Rs. 225.62 crores. The main reasons for shortfall under this plan head are the short supply of materials and the 10 per cent cut imposed during the last year of the Fourth Five Year Plan due to constraints of financial resources.

*(8) Electrification:*

The 4th Five Year Plan allotment for railway electrification projects was Rs. 73 crores. The actual expenditure is expected to be Rs. 67.47 crores.

The main reason for shortfall in expenditure on Railway Electrification during the 4th Five Year Plan is that some electrification

works could not be progressed according to schedule on account of some unforeseen circumstances as listed below:

- (i) The target date for the completion of the electrification work on the Panskura-Haldia section had to be deferred beyond the 4th Five Year Plan period due to delay in opening of the Haldia Port. The energisation of the section is to be synchronised with the opening of Haldia Port. Also law and order trouble was experienced in the area during the course of the execution of the scheme; and
- (ii) In the case of electrification of Waltair—Kirandul section, the progress of the work was affected, as a result of the need to revise the overhead equipment and power supply distribution design consequent upon the decision to try to run heavier trains with 7200 tonne trailing load on the section as against the earlier planning of 4400 tonne trains, in view of limited scope for increasing the line capacity to meet anticipated targets.
- (iii) Delay in supply of some materials like telecommunication cables.

**(9) New Lines:**

Against the plan provision of Rs. 86 crores, the likely expenditure under this head is about Rs. 67 crores. The reasons for shortfall in expenditure under this plan head are given below:—

1. Due to shortfall in the supply of permanent way materials and structural steel.
2. Due to slowing down of some of the works to synchronise with the revised targets of industries/projects which they were to serve.
3. Due to 10 per cent cut imposed in 1973-74.

**10. Staff Welfare:**

Against the Plan provision of Rs. 20 crores under the plan head 'Staff Welfare', the likely expenditure during the Fourth Five Year

Plan is Rs. 15.32 crores. The shortfall in expenditure is chiefly due to slow progress of works on account of shortfall in receipt of material and delay in finalisation of plans, estimates etc. and 10 per cent cut imposed in 1973-74 due to a constraint on resources.

2.5. Explaining the reason for exceeding the overall revised plan outlay by about Rs. 19.5 crores, the Ministry of Railways have stated that this was due to the all-round increase in prices, The escalation in costs was not limited to rolling stock only [please see para 2.4(1)] The cost of doubling works increased by about Rs. 1 lakh per Kg. during 1970-71 as compared to 1969-70. In the case of new lines, the figure had gone up by about Rs. 2 lakhs per kilometre. Similarly, the cost of track renewals and other line capacity works, signalling and telecommunication, railway electrification etc. had also gone up, ranging between 10 to 30 per cent. In certain cases like power transformers, stainless steel fasteners, the costs had gone up by about 85 to 90 per cent. Due to the grant of interim relief twice and the wage increase on account of recommendations of the Pay Commission, staff costs had also gone up. It was in this context that the total Plan expenditure during the Fourth Plan period was Rs. 1419.49 crores.

2.6 The Committee observe that the actual expenditure during the Plan period exceeded the mid-term Plan provision of Rs. 1400 crores by Rs. 19.5 crores. The increased expenditure has been attributed escalation in prices during this period.

2.7. The Committee, however, note that at the time of Mid-term Appraisal when the target of originating traffic was lowered from 264.7 million tones to 240.5 million tonnes, the Plan outlay was also reduced from the original outlay of Rs. 1525 crores to Rs. 1275 crores. This was subsequently raised to Rs. 1400 crores (the traffic target remaining the same), mainly to take care of the escalation in prices. In spite of this, the expenditure has exceeded the Plan outlay. Furthermore, as indicated Chapter V of this report, there have been heavy shortfalls in attaining some of the key physical targets during the Fourth Plan. The Committee are constrained to observe that the whole matter requires a fresh approach so that a careful and critical appraisal could be undertaken in respect of the investments made by the Railways in various sector with a view to taking necessary remedial measures for the future.

### C. Traffic Forecasts and Materialisation

2.8. The following table shows the originating freight traffic as originally estimated, as revised at the time of mid-term appraisal and its actual materialisation:—

(In million tonnes)

	Revenue	Non- Revenue	Total
<b>1969-70</b>			
(i) Original . . . . .	169.4	32.5	211.9
(ii) Revised . . . . .	173.8	34.1	208.9
(iii) Actual . . . . .	163.8	34.1	207.9
(iv) Shortfall (iii)—(ii)	nil	nil	nil
<b>1970-71</b>			
(i) Original . . . . .	192.2	32.4	224.6
(ii) Revised . . . . .	168.6	30.4	199.0
(iii) Actual . . . . .	167.9	28.6	196.5
(iv) Shortfall (iii)—(ii)	0.7	1.8	2.5
<b>1971-72</b>			
(i) Original . . . . .	204.0	33.2	237.2
(ii) Revised . . . . .	178.5	31.5	210.0
(iii) Actual . . . . .	170.1	27.7	197.8
(iv) Shortfall (iii)—(ii)	8.4	3.8	12.2
<b>1972-73</b>			
(i) Original . . . . .	216.1	32.9	249.0
(ii) Revised . . . . .	194.1	32.2	226.3
(iii) Actual . . . . .	175.3	26.0	201.3
(iv) Shortfall (iii)—(ii)	18.3	6.2	25.0
<b>1973-74</b>			
(i) Original . . . . .	231.7	33.6	264.7
(ii) Revised . . . . .	206.5	33.0	240.5
(iii) Actual . . . . .	162.1	22.8	184.9
(iv) Shortfall (iii)—(ii)	45.4	10.2	55.6

2.9. The Committee called for details of commodity-wise targets of originating traffic for the Fourth Plan, their actual materialisation (year-wise) together with reasons for shortfalls. In a note furnished to the Committee on the subject, the Ministry of Railways have

stated in the year (1968-69) immediately preceding the commencement of the Fourth Five Year Plan, Railways had lifted 240 million tonnes of freight traffic. Indian Railways' Fourth Five Year Plan, which was formulated on the basis of estimates furnished by various user Economic Ministries as well as other principal users after detailed discussions and which was duly approved by the Planning Commission, had estimated that by the end of the Plan, Railways would be called upon to carry 264.7 million tonnes of freight traffic. This worked out to an increase of a little over 5 per cent per annum (simple).

2.10. The actual materialisation of traffic during different years of the Fourth Plan was as under:—

Year	Quantum of freight traffic (In million tonnes)
1968-69	204.0
{ 1969-70	207.9
{ 1970-71	196.5
IV Plan { 1971-72	197.8
{ 1972-73	201.3
{ 1973-74	184.9

2.11. The materialisation of traffic in the first year of the Fourth Plan was higher than in the previous year but in subsequent years the same did not reach even this level. Amongst the major factors that affected traffic materialisation adversely were the following:—

- (a) General stagnation in the economy of the country.
- (b) Conditions of unrest within as well as outside the Railways.

2.12. During 1971-72, when the Mid-Term Appraisal of the Fourth Plan was under preparation, it was clear that, due to several factors, materialisation of freight traffic would not reach the level originally envisaged. Accordingly, the target was revised, in consultation with the Planning Commission, to 240.5 million tonnes. A statement indicating the commodity-wise break-up of the original target, the revised target and the actual materialisation of the traffic year-wise is given in Appendix I. It would be seen that freight traffic



during the 4th Plan generally remained stagnant around 200 million tonnes and was much below even the revised target of 240.5 million tonnes. The main causes for this phenomenon are discussed in the following paragraphs.

2.13. India's Fourth Five Year Plan had projected an overall rate of growth of 5.7 per cent per annum. Against this, the economy experienced a rate of growth of 5.2 per cent in 1969-70, 4.2 per cent in 1970-71, 1.7 per cent in 1971-72, 0.6 per cent in 1972-73 and 3.1 per cent in 1973-74. The overall rate of growth during the Fourth Five Year Plan averaged about 3 per cent per annum against the target of 5.7 per cent per annum envisaged in the Fourth Five Year Plan document. Several factors had affected the growth of economy in the country during the years of the Fourth Plan. Successive failure of monsoons in consecutive years, acute shortage of power in various parts of the country, influx of a large number of refugees from the former East Pakistan and the Indo-Pakistan hostilities in 1971-72 etc. were some of the important causes for stagnation in the growth of the economy of the country. Growth of traffic on the Railways is vitally linked with the growth in various sectors of the economy of the country. Failure on the part of the latter is, therefore, bound to affect the prospect of traffic to be moved by the Railways system and this is reflected in the quantum of traffic in different commodities moved by the Railways during different years of the Fourth Five Year Plan.

2.14. Another factor which has seriously affected Railway operations during the Fourth Plan is the spate of strikes, bundhs and agitations both by the Railway staff as well as by the outsiders. In the very first year of the Fourth Five Year Plan, the law and order situation in the eastern region of the country started taking a turn for the worse and the entire environment in that sector became unfavourable. As working of the Railways has a vital link with the environment in which they function, Railway operations in the country, particularly in the predominant coal-cum-steel belt in the eastern region, were badly affected. Frequent anti-social activities and agitations in various parts of the country, like the Andhra agitation in 1972-73, strike of the U.P. Power staff, Sholapur Division agitation in 1973, etc. continued to cause serious disruption in Railway traffic. All these factors led to serious immobilisation of rolling stock on the Railways and thus reduced Railways' capacity to handle traffic.

2.15. Apart from a large number of civil strikes, bundhs and agitations which had their toll on the Railways, the Fourth Five Year Plan also witnessed deterioration in the labour relations on

the Railways. Off and on, different categories of Railway staff like the Carriage and Wagon staff, Loco running staff, Guards, Station Masters, Signal and Telecommunication staff, etc. resorted to various means of agitation like 'go-slow', 'work-to-rule', 'work-to-designation', etc. Train operations were considerably affected as a result of these agitations. In this respect the last year of the Fourth Five Year Plan, viz., 1973-74, proved to be the worst year for Railway operations. It was during this year that the Loco running staff—a vital category of staff for Railway operation—struck work twice. Several other categories of staff also resorted to agitational means during this year with the result that Railways could not lift freight traffic to the extent they were capable of. The recent Railway strike (May 1974) is yet another example of the agitational approach adopted by certain sections of Railwaymen.

2.16. While the factors listed in paras 2.14 and 2.15 above explain, in general terms, the reasons for lack of growth of freight traffic on the Indian Railways during the Fourth Five Year Plan, failure in achieving original targets in different sectors of the economy of the country explain the shortfall in lifting the traffic originally anticipated in different commodities. Given below are a few selected output projections and achievements in certain sectors of the economy@:—

*Selected Output projections and achievements*

*Fourth Plan*

Item	1973-74 Target	1973-74 Estimated	% variation
1. Foodgrains . . . . .	129.0 m.t.	114.0 m.t.	(-) 12%
2. Coking coal . . . . .	25.4 m.t.	17.0 m.t.	(-) 33%
3. Non-coking coal . . . . .	68.1 m.t.	60.0 m.t.	(-) 9%
Total (Coal) . . . . .	93.5 m.t.	79.0 m.t.	(-) 16%
4. Iron Ore . . . . .	54.4 m.t.	37.0 m.t.	(-) 32%
5. Crude Petroleum . . . . .	8.5 m.t.	7.7 m.t.	(-) 10%
6. Petroleum Products . . . . .	26.0 m.t.	21.0 m.t.	(-) 19%
7. Fertilizers (Nitrogenous N + Phosphatic P <sub>2</sub> O <sub>5</sub> ) . . . . .	43.4 m.t.	1.5 m.t.	(-) 56%
8. Cement . . . . .	18.0 m.t.	16.0 m.t.	(-) 11%
9. Pig Iron for sale . . . . .	3.8 m.t.	1.8 m.t.	(-) 53%
10. Mild Steel . . . . .	8.1 m.t.	5.4 m.t.	(-) 33%
11. Electricity generation . . . . .	86 GWH	72 GWH	(-) 16%

@Reference pages 38-40 of the Draft Fifth Five Year Plan (Vol. 1)

2.17. It will be observed that there was steep drop in the achievement of the targets under the major items that have a vital bearing on the quantum of movement of freight traffic by the Indian Railways. For example, production of coking coal in the country during the Fourth Five Year Plan was 33 per cent less than the target. This is correspondingly reflected in the movement of coal to Steel Plants and Washeries by the Railways. Production of Petroleum products was 19 per cent less than the target and the movement of Petroleum products by rail correspondingly shows a decline of 15 per cent in the last year of the Plan as compared to the revised target at the time of the Mid-Term Appraisal. A 56 per cent drop in the production of Fertilizers in the country is reflected in a 21 per cent drop in the movement thereof by rail. A drop of over 50 per cent in the production of pig iron for sale and 33 per cent in production of mild steel gets reflected in 23.8 per cent drop in the movement of finished products of steel plants by the Railways. With lesser production of steel by the Steel Plants, there is a corresponding reduction in the movement of raw materials to Steel Plants by Railways. Production of iron ore in the country was 32 per cent less than originally envisaged. This coupled with the lack of adequate foreign buyers for this commodity affected the rail transport of iron ore for export purposes.

2.18. The Committee further enquired about the assumptions made with regard to revenue earning traffic during the Fourth Plan *vis-a-vis* the Railways' performance during the preceding five years, the actual materialisation of such traffic in relation to the targets set and reasons for shortfalls, year-wise. The Ministry of Railways have, in a written note, informed the Committee that at the time of formulation of the original Fourth Five Year Plan, it was anticipated that revenue earning traffic by the end of the Plan would be about 232 million tonnes. When the Mid-term Appraisal of the Plan was undertaken, this figure was revised to 207.5 million tonnes.

2.19. The following table indicates the actual materialisation of revenue earning traffic from 1963-64 to 1973-74:

Year	Revenue originating tonnage (in million tonnes)
1963-64	147.6
1964-65	148.3
1965-66	162.0
1966-67	164.0

1	2
1967-68 . . . . .	162.4
1968-69 . . . . .	170.8
1969-70 . . . . .	173.8
1970-71 . . . . .	167.9
1971-72 . . . . .	170.1
1972-73 . . . . .	175.3
1973-74 (Prov.) . . . . .	161.7

2.20. Explaining the reasons for shortfall in the actual materialisation of revenue-earning traffic during each year of the Fourth Plan, the Ministry have, in a note submitted to the Committee, stated as under:—

1969-70: (Target—179.85 million tonnes,  
Actual—173.83 Million Tonnes)

After the economic recession during the inter-plan period i.e. (66-67, 67-68, 68-69) Railways started the Fourth Plan reasonably well. During this year, there was increase in the originating wagon leading of 5.4 per cent on the Broad Gauge and 6.1 per cent on the Metre Gauge in the first 9 months of 1969-70 as compared with the corresponding period of the previous year (68-69). During the last quarter of this year, the working of the Eastern and South Eastern Railways, which account for over 50 per cent of the originating freight traffic on Indian Railways, was affected by unsatisfactory law and order situation which had an impact on the freight traffic which started declining. Nevertheless the year closed with a revenue earning traffic of 173.8 million tonnes and a total originating traffic of 207.5 million tonnes.

1970-71: (Target—169.50 million tonnes  
Actual—167.91 million tonnes)

The originating revenue earning freight traffic dropped from 173.8 million tonnes to 167.9 million tonnes and the total originating traffic dropped from 207.9 million tonnes to 196.5 million tonnes for the following broad reasons:—

- (i) Serious law and order problems developed. Railways were made the target of frequent attacks by anti-social elements for ventilating their grievances. There were a

- number of attacks on railwaymen and railway property causing dislocation of traffic and immobilisation of rolling stocks and demoralising the staff. Thefts of railway materials including over-head electric traction equipment, telecommunication cables, wagon fittings etc. shot up.
- (ii) There were various troubles in different coal washeries with consequent low intake.
- (iii) The intake of raw materials by steel plants, particularly IISCO, Durgapur and Rourkela was low due to their own internal problems.
- (iv) There was labour trouble in different cement plants which affected loading of cement.
- (v) The lifting of petroleum products also suffered partly owing to troubles in different refineries and partly for railways' own troubles in the eastern sector. Movement from Cochin refinery suffered for nearly 3½ months owing to staff strike and from Bajuwa refinery and New Jalpaiguri dropped due to go-slow tactics of refinery staff and from Budge Budge for want of products.
- (vi) Movement of general goods traffic was less than the target owing to poor mobility in the eastern sector and slow releases at terminals in Calcutta and Howrah areas.
- (vii) There were as many as 8 major bundhs during the first 9 months of the year which completely dislocated traffic. The crippling effect of one such bundh can be appreciated from the fact that nearly 550 trains were stabled and 60,000 wagons were immobilised on that account. The impact of these bundhs affected the working of all the railways reducing the overall availability of wagons for loading.

1972-73: (Target—183.40 million tonnes  
Actual—170.1 million tonnes)

The revenue earning traffic picked up to 170.1 million tonnes and the total originating traffic improved to 197.8 million tonnes. Shortfalls, however, resulted due to the following reasons:—

- (i) Serious law and order problems continued. Various anti-social activities like bundhs, demonstrations, thefts of communication cables, overhead traction wires, signal equip-

ment, wagon fittings continued in the Eastern and South Eastern Railways greatly slowing down the movement in that sector. This directly affected the loading of coal, and other general goods on the Eastern and South Eastern Railways and also led to the imposition of restrictions on the loading of traffic on the other railways and reduced the availability of wagons for loading in general.

- (ii) The Indo-Pak hostilities in December, 1971 placed a severe strain on the railways as a large number of special trains had to be run for the movement of troops, their equipment as well as prisoners of war and their baggage. The movement in the early part of the year of evacuees from East Pakistan and of refugees returning to Bangladesh in the last 4 months also had to be organised by the railways and the pressure of these special moves lasted right upto the end of the year.
- (iii) Failure of steel plants and washeries to absorb coal as per programme, inadequate shipping facilities and continued labour troubles in Madras Port which affected the loading of iron ore for export from Bellary/Hospet sector.
- (iv) Less production by the National Mineral Development Corporation's mines which affected transportaion of iron ore from Bailadilla to Vizag.
- (v) Labour troubles at refineries at Vishakhapatnam, New Jalpaiguri and Cochin.

1972-73: (Target—194.0 million tonnes  
Actual—175.3 million tonnes)

This year began on a very unhappy note with a drop in the originating revenue earning traffic, largely due to the large scale power shedding in the Eastern Sector. The law and order position, however, improved and from the second quarter of 1972-73 the loading and movement picked up and the railways were able to move a total of 175.3 million tonnes of revenue earning traffic (the maximum figure achieved so far) and achieved a total originating traffic of 201.3 million tonnes. Among major commodities, loading of steel plants traffic, foodgrains and fertilizers exceeded even anti-cipations. There was an increase in the traffic in coal, fertilizers and

mineral oils even though the increase did not come upto anticipations. There was shortfall in traffic in comparison with the previous years only in respect of cement and iron ore for export. The shortfall in cement was entirely on account of inadequate production of cement in the country due to all India strike in the industry during August, 1972 and power cuts in various states. The shortfall in the loading of iron ore for export was due to shipments falling short of the target at all the ports for various reasons and inadequate production of ore at Bailadilla due to mining difficulties. There was less sugar-cane traffic due to the failure of the crop. Similarly there was less transport of mineral oils due to less demands.

Socio-political conditions continued to affect railway operations. In spite of some improvement in the law and order situation in West Bengal, conditions, were far from normal. Student agitations in Punjab, language agitations in Assam and the continuation of the Mulki agitation in Andhra Pradesh resulted in large scale immobilisation of wagons.

Agitations by railway staff also affected working during this year such as Loco running staff strike on Southern and South-Central Railways, go-slow movement in Mugalsarai, and work-to-rule movement on the South Eastern Railway.

1973-74: (Target—207.5 million tonnes  
Actual—162.05 million tonnes)

During this year—the last year of the Fourth Plan—the revenue earning traffic declined to 161.68 million tonnes from 175.27 million tonnes. The most important reason for this drop has been the severe dislocation caused by a series of agitations by various categories of railway employees. Loco running staff launched an agitation right from the beginning of the year, culminating in strikes in May, August and December, 1973. Their example was followed by many other categories and one strike followed the other and before normal working could be restored and the after-effects of one strike were overcome, the railways were overtaken by another. There were agitations by Station Masters, by Train Examining staff, Loco maintenance staff and Signal and Telecommunication staff. The agitations took a variety of forms—go-slow, work-to-rule, work-to-designation and gheraos. It has been roughly estimated that in the first half of 73-74 alone these agitations caused the railways loss of 4.5 lakh man days, nearly twice the number of man-days lost in the two preceding years taken together.

There was also inadequate offering of traffic and drop in industrial production in the initial months due to severe power cuts, breaches and floods and unprecedented sand storm in Rajasthan area and inadequate offering of export traffic due to less production in Bailadilla area and labour difficulties in Madras Port.

2.21. During the evidence of the official representatives of the Ministry of Railways and the Planning Commission, the Committee pointed out that the total investment on Railways during the Third Plan was of the order of Rs. 1,686 crores against the actual plan provision of Rs. 1,235 crores. The originating freight traffic, however, fell short of the prescribed target by 46 million tonnes, the actual traffic being only 203 million tonnes. Similarly, during the Fourth Plan period, the actual investment was Rs. 1,419.5 crores against the original allocation of Rs. 1,525 crores and the mid-term provision of Rs. 1400 crores. However, there was a huge shortfall of as much as 79.8 million tonnes against the original target of 264.7 million tonnes and 55.6 million tonnes against the mid-term plan target of 240.5 million tonnes. The Committee, therefore, enquired about the actual freight carrying capacity built up by the Railways with an investment of Rs. 1,686 crores during the Third Plan and the further capacity built up with an additional investment of Rs. 1,419.5 crores during the Fourth Plan.

The representative of the Ministry of Railways stated that even during the Third Plan there were several revisions and cutbacks in the Plan targets. The capacity that had been built up at the end of the Third Plan was more or less a match to the availability of the traffic—passenger and goods. During the Fourth Plan also, the original targets were considerably revised at the time of mid-term appraisal and once again thereafter because the traffic did not increase according to the original anticipations. The original freight traffic target of 264.7 million tonnes for the final year of the Fourth Plan was reduced to 240.5 million tonnes at the time of mid-term-appraisal and still later to 235 million tonnes.

2.22. He added that the targets were based on an average lead of 630 Kms. but actually the lead rose to as much as 678 Kms. during 1972-73. During the year 1972-73, the originating tonnage was 201.3 million tonnes and with a lead of 678 kms. the total freight output was 136 billion net tonne Kms. The Railways expected to carry about 215 million tonnes in 1973-74 which, multiplied by the same lead, would have given a freight output of 146 billion net tonne Kms. *vis-a-vis* the revised target of 235 million tonnes or 148 billion net Kms. (with the anticipated average lead of 630 Kms.). However, the last year of the Plan was an exceptionally bad year both in regard



to the state of economy and the labour situation, but for which the performance of the Railways would have been much better. Had the Railways carried 215 million tonnes during 1973-74, as planned, they would have been within 1 per cent of the freight output capacity for which investments had been made.

2.23. When asked how the Railways anticipated the originating traffic to be of the order of 215 million tonnes during the last year of the Fourth Plan when the traffic in the preceding year was only 201 million tonnes, the representative of the Ministry replied that during 1972-73 there was good upsurge in activity in the Eastern Sector after two difficult years resulting in more loading and better movement in all sectors. Unfortunately, during 1973-74 there was serious labour unrest on the Railways which prevented them from achieving the target. The power cuts in the Eastern Sector also affected not only the movement of trains but also production in the mines.

2.24. In reply to a question about the actual addition to the freight carrying capacity of the Railways during the Third and Fourth Plans with an investment of Rs. 1,686 and Rs. 1,419 crores respectively, the representative of the Ministry of Railways stated during evidence that the actual addition to the carrying capacity of the Railways during the Plan periods was of the order of 40 per cent of the total investment, the rest being for replacements, new lines and other development works which did not give any return. So far as the Fourth Plan was concerned, out of the total investment of Rs. 1,419 crores as much as Rs. 632 crores were spent on replacements due to depreciation, new lines, staff amenities etc.

2.25. He added that the development programmes were tied up with the development schemes of other Ministries—mainly with the development of steel and mining capacities for which Railway lines had to be laid far ahead of the development of these capacities. While developing line capacity, the Railways were required to make huge investments for a given amount of traffic which might not materialise for several years. It was, therefore, really difficult to correlate the investments with the actual capacity built up and utilised, to any precise degree.

2.26. On his attention being drawn to the observations made by the Public Accounts Committee in their 22nd Report (Third Lok Sabha) that "it is not businesslike for a commercial organisation like the Railways merely to accept the statements|assessments of other Ministries without critically examining the position themselves," the representative of the Ministry stated that so far as the Third Plan was concerned, the Railways at that time were not exercising their own independent judgement in regard to the plan targets and the

physical output as critically as they were doing now. While framing the Fourth Plan, the observations of the Public Accounts Committee and other Committees were borne in mind so as to effect necessary modifications in the planning procedures in order to ensure that planning was realistic. In fact the scaling down of the outlay during the Fourth Plan was done at the initiative of the Ministry of Railways itself. Not only the traffic target was reduced at the time of mid-term-appraisal but the plan outlay was also correspondingly reduced from Rs. 1,525 crores to Rs. 1,275 crores. However, as a result of another supplementary exercise undertaken subsequently it was found that the escalation in cost that was occurring from year to year was quite sizeable and that it needed to be taken into account. There was also pressure in Parliament to undertake construction of certain new lines and creating capacities for which additional funds were needed. The Planning Commission were, therefore, approached again and the outlay was revised from Rs. 1,275 to Rs. 1,400 crores. The actual expenditure was very near to this figure.

2.27. The representative of the Ministry of Railways added that so far as the freight targets were concerned, the Railways concentrated by and large on 7 or 3 major commodities which moved in bulk and which accounted for over 75 per cent of the total traffic. These major commodities were coal, iron and steel, foodgrains, cement, petroleum products and fertilizers. The rise and fall in production of these commodities had a vital bearing on the fortunes of the Railways.

2.28. Asked to indicate in precise terms as to how much capacity the Railways had actually developed at the end of the Third Plan, the representative of the Ministry stated during evidence that it was difficult to go back over a period of five years' time and say what the capacity was because the estimation of capacity was the end result of varying factors. He added, "We have not done that exercise precisely. All that we can tell you is, suppose you were to ask what is our capacity today, the answer would be more satisfactory."

2.29. The representative of the Ministry added that the increase in freight traffic on the Railways between the end of the First Plan and the Third Plan was equal to that built up during the 100 years prior to 1950. He stated that there was no Railway in the world which had achieved so much capacity in such a short span of time. However, certain routes which were already saturated in the beginning continued to be saturated even after augmenting the capacity

of congested sections. The Railways had, therefore, to resort to full doubling instead of partial doubling of such routes thereby creating virtually 100 per cent extra capacity. It was not initially possible to utilise this additional capacity in full as it would take another 10 years for the traffic to build up to that extent. The fact, however, remained that even for obtaining additional 5 per cent line capacity, there was no other alternative but to double the entire route completely. Another factor to be borne in mind was that, when some facility was created on a particular route it could not be transferred to another route. For instance, in the case of the Bhilai Steel Plant or the Iron Ore traffic on the Bailadilla—Vishakhapatnam line the entire capacity was captive to the concerned project. On the other hand, it had taken nearly six years to develop the anticipated traffic of 4.5 million tonnes in the latter case. He added that the line capacity was different in different places and it would not be easy to give a straight answer about the utilisation of such capacity except for each individual route.

2.30. In a written note furnished to the Committee on the subject, the Ministry of Railways have stated that the Railways' capacity to transport traffic is dependent on the availability of requisite rolling stock which are moveable assets and can be deployed anywhere on the railway system and on the availability of line capacity which is a fixed asset but cannot be transferred from one area to another. So far as line capacity is concerned, it is not, therefore possible to indicate any specific quantum of freight traffic that can be carried unless specific details of origin and destination of various streams of traffic are available. What can at best be attempted is to find out whether on specific routes|sections capacity exists for carrying more traffic or not. As regards the rolling stock, however, since the same can be transferred from one area to another and can be deployed in areas where development of traffic is taking place, it is possible to assess the capacity for carrying freight traffic with the available assets. An assessment of this capacity would, however, be dependent on the average lead to traffic load, as any increase in average lead would necessarily require additional rolling stock even when the originating tonnage lifted remains at the same level.

2.31. No specific assessment of the capacity of the Railways for carrying freight traffic as at the end of the Third Plans appears to have been made. However, so far as the Fourth Plan is concerned, an assessment of the rolling stock capacity of the Railways for lifting freight traffic as at the end of the Plan has been made which indicates that with the number of wagons and locomotives available

with the Railways at the end of the Fourth Five Year Plan, Railways had a capacity of lifting about 215 million tonnes of freight traffic at an average lead of 678 Kms. which was the actual lead in 1972-73.

2.32. It may, however, be pointed out that the entire plan outlay is not related to the development of the capacity for handling freight traffic only. Investments on replacement of assets financed from Depreciation Reserve Fund and expenditure on items like 'Users amenities', 'Staff Quarters', 'Staff Welfare' schemes etc. financed from Development Fund and Open Line Works Revenue do not contribute to any addition to the transport capacity. Even out of the Capital investments, investments on new lines (except in isolated case where they are project-oriented), cost-saving schemes like 'electrification' and investment in road services and inventories do not contribute to the increase in the transport capacity of the Railways. Even out of the balance capital investments, a substantial portion is spent on development of passenger transport capacity and only the residual amount contributes towards development of freight transport capacity. Thus, out of a total investment of Rs. 1419 crores during the Fourth Plan as much as Rs. 632 crores were spent on replacement of assets and other items financed from Depreciation Reserve Fund, Development Fund, and Open Line Works Revenue. Out of the remaining Rs. 787 crores spent from Capital as much as Rs. 222 crores were spent on new lines, electrification schemes, investment in road services and inventories and the balance of Rs. 565 crores constituting only 40 per cent of the total outlay was utilised on development of transport capacity on the Railways. Here again a substantial portion has been spent on development of passenger transport capacity which was not only utilised fully but which proved inadequate necessitating use of the capacity generated for freight traffic being diverted for use of passenger traffic.

2.33. It has been stated that an assessment recently finalised indicates that the rolling stock capacity available with the Railways at the end of the Fourth Plan was to handle about 215 million tonnes of freight traffic at an average lead of 678 Kms. This capacity became available taking into account the augmentation of the rolling stock fleet of the Railways during the Fourth Plan. In the first year of the Fourth Plan itself the materialisation of traffic was 207.9 mt. with a lead of 643 kms. In subsequent years while the originating traffic did not increase the lead of the traffic continuously kept on increasing with the result that the work load with the Railways also increased.

2.34. It may be mentioned that the correct index of assessment of the work load on the Railways for freight traffic is not the originating

tonnage lifted but a combination of the same with the actual distance over which this tonnage was carried. This is reflected by the index of the NTKMs which has shown a steady increase right upto the Fourth Year of the Fourth Five Year Plan as will be seen from the following figures:—

Year	Tonnes loaded (millions)	Average lead (kms)	NTKMs moved (billions)
1968-69	204.0	613	125.1
1969-70	207.9	643	128.2
1970-71	196.5	648	127.4
1971-72	197.8	674	133.3
1972-73	201.3	675	136.3
1963-74*	215.0	678	140.0
(Actual)	184.9	662	122.3

2.35. At the time of the mid-term appraisal of the Fourth Plan it was anticipated that the originating freight traffic at the end of the Plan would be approximately 240.5 million tonnes with an average lead of 630 kms. Resources were however provided for creation of capacity for lifting 235 million tonnes at the above mentioned lead. In other words the provision made was to cater to 148 billion NTKMs. As the figures given above indicate, traffic materialisation in terms of NTKMs continued increasing every year and was anticipated to be very near the target in the last year of the plan. Unfortunately, however, chiefly due to the disturbed industrial relations which persisted throughout 1973-74, the materialisation of traffic did not come up to expectation. The capacity available was thus only marginally more than what the actual trends in traffic materialisation warranted. Even this little cushion was fully utilised for carrying additional passenger traffic that had generated in excess of anticipations. The non-suburban passenger kms, for example, had increased by 23 per cent as compared to the target of 18.6 per cent for the Fourth Plan.

2.36. The Ministry have added that the capacity generated in the Fourth Five Year Plan for handling freight traffic was very much needed for the purpose and but for 1973-74 being an abnormal year for railway operations, there was every possibility of reaching the target as reflected by the index of NTKMs.

2.37. The Committee observe that during the Third Five Year Plan, the outlay originally approved for the Railways by the Planning Commission was Rs. 1325 crores for as estimated originating traffic of the order 248.9 million tonnes—an increase of 92.7 million tonnes over the originating traffic of 156.2 million tonnes carried in 1960-61 i.e. by about 59 per cent. The outlay was stepped up to

\*Anticipated.

Rs. 1581.5 crores at the time of mid-term appraisal while the target of originating traffic was lowered to 245 million tonnes. The actual expenditure during the Third Plan was Rs. 1,685.8 crores i.e. an excess of more than Rs. 360 crores over the original outlay while the originating traffic carried by the Railways in 1965-66 i.e. the last year of the Third Plan was only 203.1 million tonnes—a shortfall of about 46 million tonnes over the original anticipations.

2.38. The Committee also note that during the three inter-Plan years i.e., the years preceding the Fourth Plan, a further investment of Rs. 763 crores was made by the Railways while the originating traffic went down to 201.6 million tonnes in 1966-67 and still further to 196.6 million tonnes in 1967-68. It, however, rose to 20.4 million tonnes in 1968-69.

2.39. The Committee further observe that according to original anticipations, with an outlay of Rs. 1575 crores, the Railways were expected to carry originating traffic of the order of 264.7 million tonnes by the end of the Fourth Plan i.e. an increase of 60.7 per cent million tonnes over 1968-69. At the time of mid-term appraisal, the target of originating traffic was lowered to 240.5 million tonnes and the outlay was also reduced to Rs. 1.40, crores. The actual expenditure, as stated earlier, was Rs. 1,419.5 crores while the traffic carried was 207.9, 196.5, 197.8, 201.3 and 184.9 million tonnes during the years 1969-70, 1970-71, 1971-72, 1972-73 and 1973-74 respectively.

2.40. The Committee further note that the average lead of traffic which stood at 561 kms. in 1960-61 rose to 678 kms. in 1972-73 but came down to 662 kms. in 1973-74 which was the last year of the Fourth Plan. In terms of net tonne kms. the originating traffic carried by the Railways has gone up from 87.68 billions in 1960-61 to 116.9 billions in 1965-66, 125.1 billions in 1968-69 and 136.3 billions in 1972-73 but came down to 122.3 billions in 1973-74.

2.41. The Committee are constrained to note that the anticipations of the Planning Commission and the Ministry of Railways in regard to originating traffic in the Fourth Plan have proved to be wide off the mark just as they did in the Third Plan. The shortfall was as much as 79.8 million tonnes with reference to the original target and 55.6 million tonnes vis-a-vis the revised target. In fact, the traffic has stagnated around 200 million tonnes and is still far short of the anticipation of 249 million tonnes made at the time of formulation of the Third Plan i.e. as far back as in 1960-61. A relieving

feature of the situation, however, is the unexpected increase in the average lead of traffic which has gone up by about 49 kms. during the last five years (55 kms. on the basis of 1972-73 figures), thereby inflating the figures of net tonne kilometres carried.

2.42. As pointed out earlier, the increase in lead was not specifically mentioned in the Plan document. The Committee would, therefore, like the Ministry of Railways and the Planning Commission to lay down hence-forth specific commodity-wise targets both in terms of originating tonnage and net tonne kms. so that investment could be related to carefully assessed needs and the Railways' performance also properly evaluated.

2.43. The Committee observe that the Railways have been budgeting for an annual increase of 12 to 15 million tonnes in the Fourth Plan period but the originating traffic has consistently fallen below the targets. Even taking into consideration the revised targets finalised at the time of Mid-term Appraisal in January, 1971, the Committee find that the originating traffic fell short of the targets by 2.5 million tonnes in 1970-71, 12.2 million tonnes in 1971-72, 25 million tonnes in 1972-73 and as much as 55.6 million tonnes in 1973-74. The Committee, are therefore, unable to accept the contention of the Ministry of Railways that had the Railways carried 215 million tonnes at an average lead of 678 kms. as envisaged for the last year of the Fourth Plan, they would have been within 1 per cent of the prescribed target. In fact, the budgetary anticipations for the last year of the Plan were highly over-pitched and could hardly be considered realistic in the context of the Railways performance in the earlier years of the Plan, the stagnation in the economy of which the Railways were undoubtedly quite aware and last but not least, the labour problems besetting them. The Committee are, therefore, driven to the conclusion that the methodology of forecasting the estimates of growth of traffic from year to year, not to speak for the Plan as a whole, leaves much to be desired in spite of Railways' long experience in this field. The Committee, however, note that in the interest of co-ordinated planning, the Railways have necessarily to take into account the targets and requirements as set out by the respective Ministries|Departments and the Planning Commission to obviate any distortion of the planning process. The Committee would, therefore, like the Ministry of Railways to study the matter in depth and take appropriate corrective measures to ensure that the forecasting of growth of traffic is done on a scientific and rational basis in future.

2.44. In regard to the question of additional capacity created as a result of the investments made during the five year plans, the Committee note that "no specific assessment of the capacity of the Railways for carrying freight traffic as at the end of the Third Plan appears to have been made". However, so far as the Fourth Plan is concerned, the Railways have built up a capacity (in terms of wagons and locomotives) of lifting about 215 million tonnes of freight traffic at an average lead of 678 kms, i.e. 146 billion Net Tonne Kms. So far as line capacity is concerned, the Committee learn that "no such assessment is possible unless specific details of origin and destination of various streams of traffic are available."

2.45. Since 75 per cent of the total revenue-earning traffic is traditionally accounted for by 8 commodities which move in bulk on a programmed basis, the Committee consider that the Railways should have made a detailed assessment in conjunction with the concerned Ministries and field organisations, on the basis of origin-destination-wise linkage; in any case this should be done now.

2.46. The Committee would also like the Ministry of Railways to initiate, without delay, detailed study of the freight carrying capacity including line capacity built up by them, Section-wise, and the extent to which the same is utilised so that the areas where such capacity exists or falls short of the requirement, could be clearly identified and future investments regulated accordingly. This study may be completed within six months' time and the findings thereof reported to the Committee immediately thereafter.

#### D. Outlay on Inventories

2.47. From the statement given in para 2.3 above, the Committee observe that the expenditure under six out of 16 heads viz. 'Rolling Stock' 'Signalling & Safety', 'Other Electrical Works,' 'Users,' 'Amenities', 'investment in road services and, inventories', has exceeded the revised outlay while, under other heads, there have been shortfalls. The Committee have dealt with these excesses/shortfalls in expenditure in relation to the physical achievements, in a separate Chapter of this Report. Here, they would like to confine themselves to the excess under the head 'Inventories' where the actual outlay exceeded the Plan provision by as much as Rs. 59.09 crores.



2.48. Explaining the reasons for excess, the Ministry of Railways have stated in a note submitted to the Committee that the head 'Inventories' consists of balance under Stores Suspense, Workshop Manufacturing Suspense, and Misc. Advances. The balances during the past few years (from 31-3-1968 onwards) under these three heads are as under:—

## INVENTORIES

(In crores of rupees)

	Stores Suspense	W.M.S.	Misc. Advances	Total
31-3-68 . . . . .	151·32	39·28	8·58	199·17
31-3-69 . . . . .	154·14	39·52	5·05	198·71
31-3-70 . . . . .	137·70	37·38	4·70	179·78
31-3-71 . . . . .	146·09	42·60	13·80	202·49
31-3-72 . . . . .	182·14	47·72	22·48	252·34
31-3-73 . . . . .	204·13	62·30	27·11	293·54
31-3-74 . . . . .	186·79	74·86	31·27	292·92

2.49. The increase during the Plan period is made up of:—

	Balance on		Increase
	31-3-69	31-3-74	
(a) Stores Suspense . . . . .	154·14	186·79	32·65
(b) Workshop Mfg. Suspense . . . . .	39·52	74·86	35·34
(c) Misc. Advances . . . . .	5·05	31·27	26·22
TOTAL . . . . .	198·71	292·92	94·21

2.50. The outlay provided under the Plan Head 'Inventories' during the Fourth Plan was Rs. 15 crores. This was provided to cater for the increase in traffic as well as for a possible 15 per cent price increase during the plan period. It was also anticipated at that time that by adopting better methods of management the effect of price increase by 15 per cent would be neutralised.

*Stores Suspense*

2.51. The value of Stores balances held on 31-3-1969 was Rs. 154.14 crores the corresponding figure on 31-3-1974 was Rs. 186.79 crores, showing an increase of Rs. 32.65 crore or 20 per cent approximately. During the last five years the wholesale commodity price index has however moved as under.

1968	165.3
1969	168.8
1970	179.2
1971	186.1
1972	200.1
1972-73	280.5
1973-74	284.4

2.52. The increase in the price index over a period of above five years is thus nearly 70 per cent as against the anticipated price increase of 15 per cent. As against that, the actual increase in Stores Balances is only 20 per cent, which cannot be regarded as an unsatisfactory performance. The increase in Stores Balance has actually been restricted to a low percentage only by adopting better methods of inventory management.

2.53. The turnover ratio for Railways and Production Units during the Plan period is as follows—

(In crores of Rupees)

	Railways			Prod.			Units			Total		
	Cl. Bal.	Annual Issues	%	Cl. Bal.	Annual Issue	%	Cl. Bal.	Annual Issue	%	Cl. Bal.	Annual Issue	%
1968-69	129	222	58	25	42	60	154	262	59			
1971-72	150	262	57	32	60	54	182	322	56			
1972-73	152	305	50	52	75	69	204	380	54			
1973-74	136	307*	45	51	78*	65	187	385*	49			
Increase in Balance during Plan period	7			26			33					

\*Issues figure provisional.

2.54. The Railways have improved the turn-over ratio from 58 per cent to about 45 per cent. In the case of Production Units the position improved in 1971-72, but deteriorated due to lower actual production against original plans due to the compound effect of disturbed labour working conditions, power cuts etc., and changeover to new type of locomotives. Tardy development of indigenous sources of supply also resulted in imbalanced receipts of stores which could not be used in locomotives production. However the overall turnover ratio has improved from 59 per cent in 1968-69 to 49 per cent in 1973-74.

#### *Workshop Manufacture Suspense Accounts*

2.55. The balance under Workshop Manufacture Suspense Account as on 31st March, 1969 was Rs. 39.52 crores. This figure went up to Rs. 74.86 crores as on 31-3-1974, registering an increase of Rs. 35.34 crores during the Plan period. While on the other Railways and I.C.F. the increase has not been very marked, the increase on Eastern Railway, C.L.W. and D.L.W. has been abnormal; the increases in these three establishments are as follows:—

(In crores of rupees)

Railway/Units	Balance as on 31-3-1969	Balance as on 31-3-1974	Increase
Eastern Rly. . . . .	6.34	15.06	(+)8.72
C.L.W. . . . .	8.56	20.53	(+)11.97
D.L.W. . . . .	9.62	17.83	(+)8.21
	24.52	53.42	(+)28.90

2.56. So far as Eastern Railway is concerned, preliminary investigations reveal that specified procedures regarding account of WMS holdings and disposal of surplus/scrap have not been observed. However, this matter is under investigation. A committee of Administrative Officers has been appointed to look into the matter and report. Their report is expected to be received by 31st December, 1974.\* Eastern Railway have also been asked to submit monthly reports on the clearance of balances under this head.

\*Since received by the Railway Board. The recommendations contained in the Report are stated to be examination of the authorities.

2.57. As regards C.L.W. and D.L.W., their balances deteriorated from the year 1972-73 onward, as would be seen from the table below:—

(In crores of rupees)

	Balance as on 31-3-72	Balance as on 31-3-73+	Balance as on 31-3-74+
C.L.W. . . . .	9.50	12.31	20.53
D.L.W. . . . .	8.28	13.37	17.83

2.59. In respect of CLW, adverse balances under NMS are partly due to unadjusted sum of approx. Rs. 10 crores due to build up of "development suspense" (i.e. difference between actual cost of production and price/sale value charged to Railways. This intangible figure do not represent materials actually in shops under processing. The adverse position on D.L.W. occurred as a result of production targets for locos having not been achieved due to labour trouble, power cuts and interruptions.

#### *Miscellaneous Advance Capital*

2.59. The balance under Miscellaneous Advance Capital as on 31-3-69 was Rs. 5.05 crores. This increased to Rs. 31.27 crores as on 31-3-74, registering an overall increase of Rs. 26.22 crores. Of this, an amount of nearly Rs. 19 crores is attributable to Eastern Railway and the Metropolitan Transport Projects (Bombay, Calcutta, Delhi and Madras) as given in the table below:—

Railway/Units	Balance as on 31-3-69	Balance as on 31-3-74	Increase
Eastern Rly. . . . .	(—)1.79	8.51	(+)10.30
M.T.Ps' . . . . .	—	8.66	(+)8.66
<b>TOTAL</b>	<b>(—)1.79</b>	<b>17.17</b>	<b>(+)18.96</b>

2.60. The investment on the MTP's is lying under Misc. Adv. till the final allocation of the expenditure has been decided upon.

2.61. The increase on the Eastern Railway is of the order of Rs. 10 crores which is explained largely by the increase in quantum of work under Railway Board's contracts the payments in respect of which remain under Misc. Adv. till the stock has been finally delivered.

2.62. In this connection, the Committee understand that Government have appointed a High Powered Committee on Inventory Management to suggest measures for streamlining the stores procedures and examining other important aspects of materials management on Indian Railways. The Report of this Committee is awaited.\*

2.63. The Committee note that expenditure under the Plan heads 'Rolling Stock, Signalling & Safety works', 'Other Electrical Works', 'Users' Amenities', 'Investments in Road Services', and 'Inventories' has exceeded the revised Plan outlay—the total excess being of the order of as much as Rs. 96.62 crores. The maximum excess has occurred under the head 'Inventories' where the actual expenditure was five times the Plan allocation and exceeded the provision of Rs. 15 crores by as much as Rs. 59.09 crores.

2.64. The Committee observe that an increase of Rs. 35.34 crores occurred during the Plan period under the Workshop Manufacture Suspense Accounts and that preliminary investigations have revealed that on the Eastern Railway an increase of Rs. 8.72 crores in the closing balance as on 31-3-1974 occurred because the prescribed procedures regarding accountal of Workshop Manufacture Suspense holdings and disposal of surpluses/scrap have not been followed and that the matter is being investigated by a Committee of Administrative Officers. The Committee would like to be informed about the findings of this committee and the action taken by Railways in pursuance thereof.

2.65. The Committee further observe that an adverse balance of Rs. 8.21 crores has occurred in the Diesel Locomotive Works, Varanasi as a result of production targets not being achieved. The Committee also find that an adverse balance of Rs. 11.97 crores in the Chittaranjan Locomotive Works is stated to be due to build up of development suspense of Rs. 10 crores which does not represent materials actually in shops under processing.

2.66. The Committee take a serious view of the abnormal excesses of expenditure over the Plan provisions in respect of a number of

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\*Since received by the Railway Board. The recommendations contained in the Report are stated to be under examination of the Railway Authorities.

heads, particularly the "Inventories". The Committee would like the Ministry of Railways to take expeditious follow-up action in the light of the Report of the High Powered Committee on Inventory Management on the Railways so as to ensure that the stores procedures are streamlined in consonance with modern concepts of materials management. They would like Parliament to be kept informed of the action taken by Government in this regard as early as possible.

## CHAPTER III

### TRAFFIC IN MAJOR COMMODITIES

#### A. Steel Plants Traffic

3.1. The original, and revised targets in respect of steel plants' traffic and the actual materialisation during each year of the Fourth Plan are stated to be as under:—

(In million tonnes)

	Target		Actual Materialisation					Shortfall compared to	
	Original (Jan. 71)	Revised	1969-	1970-	1971-	1972-	1973-	Original targets	Revised target
			70	71	72	73	74		
(a) Finished Products	10.0	8.0	7.1	6.2	6.0	6.7	6.1	3.9	1.9
(b) Raw Materials	27.7	21.0	16.5	16.1	15.8	17.0	15.9	11.8	5.1
<b>Total</b>	<b>37.7</b>	<b>29.0</b>	<b>23.6</b>	<b>22.3</b>	<b>21.8</b>	<b>23.7</b>	<b>22.0</b>	<b>15.7</b>	<b>7.0</b>

3.2. Asked to explain the reasons for shortfall in materialisation of traffic to and from the steel plants *vis-a-vis* the original target of 37.7 million tonnes and the revised target of 29 million tonnes, the representative of the Ministry of Steel and Mines stated during evidence that the original target was fixed on the basis of certain assumptions which did not materialise during the course of the Plan. At the time of mid-term appraisal, a fresh analysis of the situation as prevailing at that time was made, but unfortunately even the revised anticipations did not materialise particularly in the case of the Indian Iron and Steel Company and the Bokaro Steel Plant. Moreover, the last year of the Plan was an extraordinarily bad year for the economy as a whole and for the steel sector and the Railways in particular. The actual materialisation of steel plants' traffic other than coal during 1972-73 was nearly 24 million tonnes and if the projections made on the basis of normal production had materialised, the quantum of traffic moved in 1973-74 would certainly have been more than 24 million tonnes and they could have easily achieved 26 to 27 million tonnes.

3.3. The representative of the Ministry of Steel and Mines added that so far as the target of production in terms of saleable steel was concerned, it was expected that the total output from the three steel plants of Hindustan Steel Ltd. would be 3.4 million tonnes by the end of the Fourth Plan. The actual production in 1972-73 was 2.99 million tonnes, that is to say, about 88 per cent of the target. In 1973-74 i.e. last year of the Plan, the production fell to 2.79 million tonnes which was about 81 per cent of the target. The principal reason for the shortfall in production during 1973-74 was the power supply position. In the entire eastern region, power was a notable constraint and it affected the steel plants in two different ways. On the one hand, the steel plants which depended on D.V.C. did not have enough power to work with, and on the other, the collieries supplying coal to the steel plants and also the washeries were considerably affected. The labour problems faced by the railways were another constraint on movement not only of coal but other raw materials to and finished steel from the steel plants.

3.4. Asked to state the views of the Planning Commission in the matter, the representative of the commission stated that a combination of circumstances was responsible for the shortfall in traffic and power shortage was one of the factors from which even the Railways had suffered. In fact, there was under-utilisation of capacity in different sectors of the economy including the Railways and that was why the target had stagnated during the Fourth Plan. Therefore, the primary effort of the Planning Commission was to see how best to utilise the capacity already created at a high cost.

3.5. The representative of the Ministry of Steel and Mines added that apart from power shortage, there were other problems also in the steel plants. For example, in almost all the steel plants they had experienced difficulties with the coke-oven batteries and there were also problems in some of the plants due to a backlog of maintenance according to the strictest possible standards. The Ministry of Steel and Mines maintained constant liaison with the Railways and the quantity moved in 1972-73 was at a very high level. However, they were trying to locate the areas of weakness and eliminate them. The position had considerably improved during the last 5 to 6 months and the Railways had moved not only the current production but also a considerable portion of the accumulation in the earlier part of the year.

3.6. The representative of the Ministry of Railways added that at the end of the financial year 1972-73, the ground stock was 2.7



lakh tonnes. In 1973-74, because of labour unrest etc. on the Railways, there was an extra accumulation of the order of about 3 to 4 lakh tonnes of pig iron and steel. This had since been brought down to 1.2 lakh tonnes and this was being cleared along with the current production.

3.7. The representative of the Ministry of Railways further informed the Committee in this connection that there was a Special Officer in the headquarters of the South Eastern Railway designated as Superintendent (Iron and Steel) whose duty was to maintain constant liaison and oversee the movement of raw materials to and finished products out of the steel plants. There was also a Special Officer in regard to coal. The Railways had appointed a Joint Director of Coal who was assisted by a small organisation which maintained liaison with the Coal Mines Authority and the Bharat Coking Coal Ltd., as also with the South Eastern and Eastern Railways. This officer headed a joint cell which was set up about a year back with the representatives of the Coal Mines Authority and the Bharat Coking Coal Ltd., for dealing with problems of mutual concern so as to smoothen out the difficulties which might arise between the coal mining organisations and the Railways. At the Divisional level also, the Coal Mines Authority had taken an officer from the Railways on deputation. Similarly, the Bharat Coking Coal Ltd., had a Liaison Officer from the Railways.

3.8. In a subsequent note on the subject, the Ministry of Railways have informed the Committee that so far as the question of supply of raw materials to Steel Plants is concerned, in 1969-70 and 1971-72 the drop in loading was due to less intake of raw materials by the steel plants mainly on account of their own internal difficulties. From July, 1971 till December, 1971 there was less intake of ore by Rourkela Steel Plant owing to the collapse of the Steel Melting Shop. Frequent restrictions in receipt of traffic were also imposed by IISCO and there was heavy held up of wagons by TISCO, which affected loading. The loading of raw materials to steel plants increased in 1972-73 by 1.25 million tonnes over the previous year, despite the set-backs caused due to the law and order situation in Orissa during the later part of 1972-73, staff agitations and power shedding which directly affected train services in the Adra, Chakradharpur and Kharagpur Divisions of the South Eastern Railway.

3.9. During 1973-74, however, the Railways' own difficulties caused by a series of strikes and staff agitations, 'work-to-rule', 'go slow', 'work-to-designation' campaigns etc. affected movement.

3.10. In regard to the movement of finished products from steel plants, the Ministry of Railways have stated that this traffic accounts for 5.3 per cent of the total traffic moved and is linked with the production of the steel plants which was affected by less intake of raw materials by the steel plants due to their own internal difficulties in 1969-70 and 1971-72. The movement during 1970-71, however, was in excess of the target. During 1972-73 and 1973-74 the movement of finished products was affected by the law and order situation in the eastern region, staff agitations, power sheddings and a series of wild-cat strikes, go-slow movements etc.

3.11. The Committee observe that the shortfall in steel plants' traffic during the Fourth Plan was 15.7 million tonnes with reference to the original target and 7 million tonnes with reference to the revised target. The maximum traffic carried in the penultimate year of the Plan was 23.7 million tonnes which is the same as carried in the last year of the Third Plan. The shortfalls are stated to be due partly to Railways' own difficulties and partly due to less intake of materials and less production in the steel plants which apart from power shortage had their own problems.

3.12. The Committee find that as the investment for carrying additional traffic anticipated for the Steel Plants in the Fourth Plan has already been made and therefore, they presume that there will already be now a built up capacity to carry 29 million tonnes of steel plants traffic. The Committee stress that a detailed assessment of each of the Steel Plants with linkages of raw materials and distribution of finished products should be carried out, year-wise, in consultation with the Steel Plants and action taken to resolve in time any bottlenecks which come in the way of meeting the traffic requirements. The Committee presume that ordinarily there should be no case for making any additional heavy investments over and above those already made in the successive plans and the capacity should be far in excess of that being utilised at present.

## B. Coal Traffic

### (a) *Targets and materialisation:—*

3.13. The targets for coal loading and the actual materialisation in

each year of the Fourth Plan were as under:—

(In million tonne)

Category	Targets		Actual Materialisation					Shortfall compared to	
	Original	Revised	1969-70	1970-71	1971-72	1972-73	1973-74	Original target	Revised target
(a) Steel Plants	28.0	13.0	12.6	12.1	11.4	11.7	11.5		1.5
(b) Washeries		7.5	6.1	5.4	5.4	5.3	5.5	11.0	2.0
(c) Others	41.4	42.0	34.3	30.4	31.9	34.1	30.3	11.1	11.7
(d) Railways	15.0	15.0	18.0	16.4	16.3	16.2	15.1	+0.1	+0.1
Total	84.4	77.5	71.0	64.3	65.0	67.3	62.5	22.0	15.1

3.14. In a note submitted to the Committee by the Adviser (Transport), Coal Mines Authority, the following data regarding production and movement of coal during the Fourth Plan has been furnished:—

Year	Production	Moved	Moved	Total off-take	Balance stock
		by rail	by road		
	M/T	Wgs. per day	M/T	M/T	M/T
1969-70	75.72	8191 (Record)	10.09	66.18	7.08
1970-71	72.95	7601	10.71	62.25	9.55
1971-72	72.42	7845	13.01	65.52	7.82
1972-73	77.22	8048	15.58	70.16	6.22
1973-74	*77.87 (Record)	*73.98 (lowest)	*19.89	*68.33	*6.65

\*Provisional figures

According to the note these figures show that:—

1. Government take-over of coal mines on 31st January, 1973 and their nationalisation later, has coincided with record production.
2. Railway performance has been consistently poor after the peak in 1969-70 and it touched the lowest level in 1973-74 (a drop of 793 wagons per day).
3. The effect on the country of the poor performance of the Railways was offset to some extent by increased movement by road etc.

3.15. The Committee, therefore, enquired about the daily average coal loading targets for the Bengal-Bihar and Outlying coalfields (separately) for each year of the Fourth Plan, the actual daily average loading *vis-a-vis* these targets together with the reasons for the Railways' inability to adhere to the targets. The Ministry of Railways have stated that the average coal loading (in terms of 4-wheelers) in the Bengal-Bihar fields and Outlying fields and the targets for each year of the Fourth Plan were as under:

Year	Bengal-Bihar fields			Outlying fields			Total Total Shot		
	Target	Actual loading	Excess or shortfall	Target	Actual loading	Excess or Shortfall	Target	Actual loading	Shot fall
1969-70	6600	6242	(-) 358	2190	1949	(-) 141	8790	8191	599
1970-71	6600	5542	(-) 1058	2265**	2029	(-) 236	8865	7571	1294
1971-72	6600	5647	(-) 953	2265**	2198	(-) 67	8865	7845	1020
1972-73	6600	5698	(-) 902	2265**	2350	(+) 85	8865	8048	817
1973-74	6300*	5112	(-) 1188	2265**	2293	(+) 28	8565	7405	1160

\*Fixed at the High Level Committee meeting on Coal Transport held on August 28th and 29th, 1973 by the Minister for Steel and Mines with the Minister of Railways.

\*\*Includes 75 four-wheeler wagons of Sirgrauli.

3.16. It will be seen that in the outlying fields, there has been an increase in loading and over the last 2 years the target was surpassed. Railways were able to meet the demands in the outlying fields.

3.17. The Railway's inability to achieve the target level of coal loading was mainly due to drop in loading in Bengal-Bihar fields. In these fields coal loading reached the peak in the year 1969-70 and all the demands of coal were met.

3.18. In the subsequent years, a number of adverse factors very often beyond the control of the Railways stood in the way of improving the coal loading in Bengal-Bihar fields. Briefly stated they are as follows:—

- (a) In the year 1970-71 coal loading in Bengal-Bihar fields suffered a serious set-back from September, 1973 onwards as a result of serious deterioration in the law and order situation in the Eastern Region. Anti-social activities and

public vandalism against Railways' assets, strike by Railway staff and other "bundhs", destruction of railway property, harassment of railway staff, thefts of electric traction equipment, tele-communication cables, wagon fittings etc. seriously upset the railway operation in the Eastern Region. Coal loading in Bengal-Bihar fields was consequently affected.

- (b) In the year 1971-72 in addition to above, heavy burden of emergency movements and specials for Bangladesh refugees in 1971, the Indo-Pak hostilities in December, 1971 heavy return movements of refugees to Bangladesh and running of a large number of prisoner-of-war specials too away considerable movement capacity on the Railways, which necessarily affected coal loading.
- (c) In the year 1972-73, the factors which affected coal loading in Bengal-Bihar fields were as follows:—
- (i) Severe power cuts and frequent interruptions in power supply from the DVC and the Bihar State Electricity Board affected train running on the electrified routes of Eastern and South Eastern Railways. These power cuts also affected the working of loco sheds, wagon repairs sheds, marshalling yards, stations and cabins, resulting in slowing down in movement of trains on the Railways.
  - (ii) Student and public agitations in Punjab and Haryana, strike by the State Electricity Board, U.P. followed by Mulki Rule Agitation in Andhra Pradesh area, immobilised a large fleet of railway wagons in loaded condition, resulting in inadequate availability of wagons for coal loading.
  - (iii) Release of wagons by different consumers were very sluggish during the year, particularly in Calcutta area. The percentage of release of loaded wagon placed for unloading in Calcutta/Howrah area had dropped from the level of about 80 per cent in 1969-70 to about 65 per cent during this period. Detentions to wagons in the steel plants and washeries also continued to be high.
  - (iv) On account of the drought conditions and shortage of foodgrains in different parts of the country, more food-

grains were loaded in Punjab and Haryana areas even during monsoon months of 1972-73 and this high level of loading continued till the end of December, 1972. Foodgrains wagons were to be despatched to the farthest corners of the country like States of Kerala and Tamil Nadu and as a result there was comparatively less materialisation of wagons for coal loading in the Bengal-Bihar coalfields.

- (d) In the year 1973-74, the shortfall was mainly due to the following reasons:—
- (i) Severe power cuts in the Eastern Sector affected coal production as well as rail movement, particularly on the Eastern and South Eastern Railways during the months of April, May and June, 1973. In June and July, massive foodgrains loading that was done to meet the emergency created by the drought conditions in different parts of the country resulted in less wagon availability for coal loading.
  - (ii) In August and September, 1973, train movements were disrupted in Bengal-Bihar fields, particularly by the locomotive strike and spate of other staff agitations obstructing rail movements. There was also a large hold up of wagons on the North-South route on account of the agitation on the Sholapur Division for nearly a month.
  - (iii) Although normal conditions prevailed in October '73, coal loading did not improve on account of less coal offered by the collieries during the Puja and other holidays and colliery staff enjoying the holidays.
  - (iv) In November, 1973, movement continued to be sluggish because of non-availability of steam locomotives for running of pilots in Katrasgarh, Dhanbad, Patherdih and Jharia coalfields and also in and around Mughalsarai due to the 'Go-slow' agitation by Loco Maintenance staff. In December, 1973, the Levermen and the Cabinmen of the Dhanbad Division abstained from duty in large number for a long period, very severely affecting coal loading and movement of trains from the coalfields and Mughalsarai. There was also a severe 'go-slow' on the part of signal and Tele-communication staff.

- (v) The Loco Running Staff of the North East Frontier Railway on their own decided to implement the 10-hour rule and this caused large scale immobilisation of wagons on North East Frontier Railway. Their agitation which began in December continued for a protracted period. In the latter part of December, Locomen strike took place immobilising over one lakh wagons on the Indian Railways. Before the Railways could fully recover from the Locomen strike, the 'Go-slow' agitation of Station Masters and Assistant Station Masters on the South Eastern Railway during the second half of January followed by the Carriage and Wagon staff agitation on different Railways completely disrupted coal loading and train movement in the Bengal-Bihar fields.
- (vi) In February again coal loading did not pick up in Bengal-Bihar fields on account of Carriage and Wagon staff agitation and heavy absenteeism of the Station Masters and Assistant Station Masters in the first half of the month. Even after these agitations were called off, there was a general slowing down of movement, particularly on the South Eastern Railway due to sporadic agitations of both staff and outsiders and wild-cat strikes and stoppage of work by different categories of staff affecting coal loading.
- (vii) In March, 1974, in the first five days the work in yards situated in Calcutta was seriously hampered on account of cable thefts, fights between rival political parties in Naihati area and intimidation of railway staff by miscreants etc. This seriously affected the release of wagons in that sector and wagon availability in the Raniganj fields. The collieries in the Raniganj, Jharia and Karanpura fields reduced their loading by more than 50 per cent on account of colliery and mining labour enjoying holidays during Holi for 3 days. From 10th onwards Guards' agitation started completely disrupting train movement. Even available wagons could not be supplied in the Raniganj area as the Pilot could not be run out due to Guards' agitation. They also obstructed other staff working in these places. This agitation also seriously affected the movement at Mughalsarai, resulting in lesser number of empties coming from Northern Railway for coal loading.

3.19. The Committee observe that the daily average loading of coal, both in Bengal-Bihar coalfields and the outlying fields has fallen short of targets by 599 wagons (in terms of 4-wheelers) in 1969-70, 1294 wagons in 1970-71, 1020 wagons in 1971-72, 817 wagons in 1972-73 and 1160 wagons in 1973-74. While the targets for the outlying coalfields were surpassed in the last two years of the Plan, there have been heavy and persistent shortfalls in loading in Bengal-Bihar coalfields throughout the Plan period ranging from 358 wagons per day in 1969-70 to 1188 wagons in 1973-74. This is inspite of the fact that the target for the last year of the Plan was itself reduced by 300 wagons per day but for which the shortfall would have been as high as 1460 wagons per day.

3.20. While conceding that 1973-74 was an abnormal year for the Railways, the Committee would like to point out that there have been persistent shortfalls in the earlier years of the Plan as well including the year 1969-70 which was the best year so far as the Railways' performance during the Fourth Plan is concerned.

3.21. The Committee observe that the Railways had lifted 66.7 million tonnes of coal at the end of the Third Plan vis-a-vis the original target of 91.4 million tonnes and the revised target of 89 million tonnes. The original target of 84.4 million tonnes for the Fourth Plan which itself was 4.6 million tonnes less than the revised target for the Third Plan, was scaled down to 77.5 million tonnes and could, therefore, not be considered at all ambitious. In fact, the Railways had spent Rs. 360 crores more than the outlay provided for them in the Third Plan which is sufficient reason to believe that the capacity available with them was in excess of requirements. With the additional investments made by the Railways on rolling stock and line capacity works in the Fourth Five Year Plan and in the three inter-Plan years preceding it, the total capacity and cushion that the Railways already had at the end of the Third Plan was surely increased.

3.22. While the Committee do recognise that the power shortfall, Indo-Pak conflict, staff agitations and the difficult law and order situation in the Eastern Region and a variety of other factors have adversely affected the Railways operations, particularly in the matter of loading Coal, they are constrained to point out that the shortfall in the availability of Coal with the respective consumers has



had a crippling effect on the industrial development of the country. The Committee, however, understand that the entire gambit of Coal transport by rail in the country has been recently studied in depth by two Coal Transport Study Teams appointed by the Ministry of Railways. The Committee emphasise that the recommendations made by these Study Teams should be expeditiously examined and implemented by the concerned Ministries so that there are no more bottlenecks in the rail transport of Coal in the remaining years of the Fifth Five Year Plan.

*(b) Movement of Coal to Steel Plants and Washeries:*

3.23. The Committee enquired about the reasons for shortfall of 3.5 million tonnes in movement of coal to steel plants and washeries in 1973-74 *vis-a-vis* the revised target of 20.5 million tonnes. In a note on the subject, the Ministry of Railways have stated that the shortfall in the movement of coal to the steel plants *vis-a-vis* the target in 1973-74 was not due to inadequacy of rail transport but primarily because of the overall shortage in the availability of coking coal. Until October, 1972, before the Bokaro Steel Plant was commissioned, the entire output of the washeries was going to Bhilai, Rourkela and TISCO steel plants. With the Bokaro steel plant coming in, the same coking coal was being shared by this new plant also and to that extent, therefore, there was no increase in the availability of coking coal as such for rail transport. The result was that during 1973-74 there was a decline in the coal stock position of all the steel plants.

3.24. The production of coking coal had a severe set-back during the summer months between April, 1973 and July, 1973 when there were severe power cuts in the coalfields areas. Even the movement of trains, was sluggish due to load shedding and power trippings, particularly on the South Eastern Railway where three of the major steel plants are situated.

3.25. The Locomen-strike in August, 1973 followed by series of staff agitations in November, then again a strike in December and finally TXR strike in February, 1974 slowed down the movement of coal temporarily to the steel plants. Thereafter, the movement of coal to steel plants was maintained at high levels.

3.26. During the current year 1974-75, railways are moving all the coking coal that is being offered for rail transport. The targeted levels are not being reached even now only on account of shortage in the availability of coal for the steel plants and not due to Railways' inability to lift the traffic offered.

3.27. The Committee pointed out that the average load of coal traffic for steel plants had gone up from 281 kms. in 1960-61 to 376 kms. in 1972-73 and enquired about the reasons for the same. In a note furnished to the Committee, the Ministry of Railways have replied that the Bhilai Steel Plant is situated farthest from the Bengal-Bihar Coalfields and Rourkela is the next farthest. The other three steel plants are situated in the coal belt itself.

3.28. The increase in the load from 281 kms. in 1960-61 to 376 kms. in 1972-73 is due to the fact that there was a considerable increase in the movement of coal to the steel plants situated farther away from the coal belt, on the one hand, and a slight decrease in the movement of coal to the steel plants situated in the coal belt itself on the other. These changes occurred due to variations in the production of steel by the different steel plants as shown below:—

*Production of steel ingots ('000 tonnes)*

	1961-62	1972-73
Bhilai . . . . .	789	2108
Rourkela . . . . .	354	1177
	<u>1143</u>	<u>3285</u>
Durgapur . . . . .	462	723
TISCO . . . . .	1643	1690
IISCO . . . . .	934	431
	<u>3039</u>	<u>2844</u>

3.29. The Committee asked the Ministry of Railways to furnish a note in consultation with the Ministries of Steel and Mines and Energy regarding the requirements and actual supply of coking coal to the steel plants during the Fourth Plan (steel plants-wise and year-wise) together with reasons for shortfall. The Ministries of Rail-

ways, Steel and Mines and Energy have accordingly furnished the following information:—

## A. Requirements :

(in '000 tonnes)

Steel Plants	69-70	70-71	71-72	72-73	73-74
Bhilai . . . . .	3580	3500	3640	3330	3610
Durgapur . . . . .	2482	2500	2635	2625	2717
Rourkela . . . . .	2425	2425	1980	1872	1971
Bokaro . . . . .	..	..	..	395	1522
TISCO . . . . .	2070	2322	2401	2367	2173
IISCO . . . . .	2000	2000	1900	1350	1450
Total : . . . . .	12557	12747	12556	12039	13443
B. Actual Supply :					
Bhilai . . . . .	3180	3176	3032	3210	2867
Durgapur . . . . .	1705	1573	1487	1465	1249
Rourkela . . . . .	1779	1820	1866	1837	1795
Bokaro . . . . .	..	..	..	3127	1011
TISCO . . . . .	1883	1995	2013	2364	2072
IISCO . . . . .	1823	1833	1799	2214	2303
Total : . . . . .	10370	10397	10197	14217	11297

*Reasons for shortfall:*

3.30. The receipt of coking coal at steel plants was lower than the planned requirement due to inadequate availability, with the commissioning of coke oven at Bokaro Steel Plant. The production at mines and washeries suffered badly due to inadequate power availability. Further requirement at Durgapur was reduced due to batteries not being in proper condition. Similarly, the coke oven battery No. 2 at Bhilai suffered damage and coal requirement was thereby reduced during 1971-72. The shortfall in coal movement to steel plants was due to less demand for coal consequent on the capacity and production in the steel plants being less than the target.

3.31. The strained industrial relations on the Railways affected movement of coking coal to steel plants only on a few occasions in the latter part of the year 1973-74. The All-India Locomen's strike in August, 1973 affected movement of coal to steel plants. From December, 1973 onwards railways were engulfed in strikes and agitations by staff. Locomen's strike in December, 1973 and TXR strike in February, 1974 slowed down movement of coal temporarily to the steel plants.

3.32. The Committee are concerned to note that there were shortfalls of 1.5 million tonnes and 2 million tonnes in the movement of coal to steel plants and washeries vis-a-vis the revised targets of 13 million and 7.5 million tonnes respectively to be achieved by the end of the Fourth Plan. The total shortfall was as much as 11 million tonnes compared to the original target of 28 million tonnes of coal for both, steel plants and washeries.

3.33. The Committee observe that the supply of coking coal to the steel plants fell short of their requirements by 2.18 million tonnes in 1969-70, 2.35 million tonnes in 1970-71, 2.36 million tonnes in 1971-72, 0.61 million tonnes in 1972-73 and 2.14 million tonnes in 1973-74. The Committee note that the shortfalls were due partly to less intake of coking coal by the Durgapur and Bhilai Steel Plants due to difficulties with the coke oven batteries and partly due to less production in the mines and washeries due to inadequate power availability. The strained industrial relations on the Railways are also stated to have slowed down the movement of coal to the steel plants temporarily in the latter part of 1973-74.

3.34. In para 4.30 of their 68th Report (Fifth Lok Sabha) on Availability and Distribution of Coal, the Estimates Committee have observed:—

“The Committee also note that the total daily requirement of coal by the steel plants is of the order of 36,600 tonnes which requires 2700 rail wagons to be loaded per day. They regret that from August, 1973, coal movement did not keep pace with the requirements and on several occasions, coal stocks were depleted at the steel plants on account of dislocation of the railway services. In January, 1974 the daily average loading was only 1,933 wagons, against the actual requirement of 2700 wagons per day and consequently the stocks of coal went down from 1,47,000 tonnes (as on 1st January, 1974) to 1,15,000 tonnes as on 1st February, 1974”.

3.35. The Committee cannot too strongly urge the need for streamlining the movement of coking and blendable coals to the Steel Plants so as to meet their requirements in full in the interest of sustaining production at the optimum level. In this connection, they would like to reproduce the following observations made by the Estimates Committee in paras 2.85 and 2.86 of their 78th Report (Fifth Lok Sabha) on the Ministry of Steel and Mines:—

“The Committee are distressed to note that irregular supply of coal, particularly, the medium coking coal, has been one of the reasons for shortfall in production of steel. The

inadequate supplies were due both on account of lack of availability of coal as also its movement to the steel plants.

The Committee would like to stress that assured and uninterrupted supply of coal is basic for steel production and it is, therefore, necessary that linkages for supply of coal to the steel plants should be definite, firm and effective in the interest of smooth and efficient functioning of the steel plants. In this connection, the Committee would like to emphasise that in fixing the linkages, it should be ensured that the steel plants are linked to the nearest coal-field so as to reduce the lead time and transportation cost involved. The Committee would further like Government to review the linkages from time to time with a view to remove bottlenecks that may crop up with the passage of time".

(C) Other Users

3.36. It would be seen from the table given in para 3.13 that as against the anticipation of 42 million tonnes of originating coal traffic for 'Others', the actual materialisation in 1973-74 was 30.3 million tonnes while the maximum was 34.3 million tonnes in 1969-70. The Ministry have explained the factors affecting the loading of coal for other users in paras 3.17 and 3.18 above. They have added:—

"It will, however, not be out of place to mention here that in the year 1973-74 the overall target for movement of coal by rail was 77.50 million tonnes whereas the total production of coal was only 77.87 million tonnes. After other modes of transport such as Rope-way, Road Transport etc. had carried their share of coal the quantity of coal left for movement by rail was not sufficient for Railways to achieve the target of moving 77.50 million tonnes of coal. As such Railways' inability to achieve the target of moving 42 million tonnes of coal for "other users" which was less was also on account of less availability of coal movement by rail."

3.37. In a note submitted to the Committee, the Coal Mines Authority have furnished the following figures of despatches by road *vis-à-vis* total despatches during each year of the Fourth Plan:—

(in million tonnes)

Year	Total despatches	Road despatches
1969-70	66.18	10.09
1970-71	62.25	10.71
1971-72	65.25	13.01
1972-73	68.92	15.58
1973-74	69.00	19.89

3.38. The Committee enquired what built-in provisions existed in the procedure of allotment of wagons for coal movement to ensure that while on the one hand no consumer was starved of coal, on the other, no consumer got generous supply at the expense of another. In reply the Ministry of Railways have stated that the recommendations for coal movement for various consumers as sponsored are submitted by the sponsoring authorities of the State Governments and Central Agencies to the Joint Director Coal, Calcutta and these are scrutinised and the sponsored programmes so received are communicated to all the consumers and Coal-Allotment offices of the Railways. As the sponsored demand presently exceeds the availability of coal a *pro-rata* cut is imposed on the quotas to ensure that available coal is distributed evenly amongst all the quota holders on the basis of sponsored demands.

3.39. The allotments given to various consumers are progressively recorded in registers maintained in coal allotment offices of the Railways and the allotting official knows what allotment is given to the consumer.

3.40. In the matter of allotment, priority is given to vital industries like thermal power stations, steel plants, Railways, export coal and other important industries. After meeting the demand of essential consumers, the available coal demands as sponsored by the sponsoring agencies are allotted on a *pro-rata* basis to other consumers.

3.41. The Committee further enquired about the efforts made to establish suitable linkages for supply of coal to cement factories, fertiliser plants, paper mills, cotton mills, small scale-industries and brick-kilns during the Fourth Plan and whether any difficulties were experienced in actual movement of coal to these industries. The Ministry of Railways have stated that the coal requirements of Thermal Power Stations and cement factories are established by Standing Linkage Committee, which has been constituted with representatives of Department of Coal, Central Water & Power Commission, Ministry of Industrial Development, Coal Mines Authority, Bharat Coking Coal Limited, Planning Commission, Railways etc. The most economic use of the capacity available for production and transport of coal is kept in view while deciding the linkages. This Committee meets periodically and reviews not only the coal requirements of existing Thermal Power Stations and cement factories but arranges supply to those under construction and also advises planning and development of future projects and links their coal requirements.

3.42. The linking of coal to other industries like Fertiliser Plants, paper mills, cotton mills and brick kilns etc., is organised on the basis of sponsorship by the sponsoring authorities, by mutual consultation between coal producing agencies and the Railways keeping in view the type of coal required and its availability, the most economic use of transport capacity within the overall rationalisation pattern of coal movement.

3.43. No particular difficulty was experienced exclusively for movement of coal to the industries mentioned. However, the difficulties which stood in the way of improved overall loading of coal in Bengal-Bihar fields (as indicated in para 3.17) also affected supply of coal to the industries mentioned.

3.44. With a view to overcome the difficulties, the various proposals of the Coal Study Teams involving expansion of line capacity/siding facilities/tele-communication facilities etc., are to be implemented on a programmed basis, subject to availability of funds. This will also involve expansion of production of existing mines/establishment of new lines, rationalisation of loading to particular points/directions to enable maximum movement in block rakes, mechanisation of handling arrangements both at the loading as well as unloading points and creation of suitable dumps etc. It has been suggested to the Planning Commission to coordinate action with the Ministries concerned in this direction.

3.45. During evidence, the Committee enquired about the steps taken by the Railways to serve the small consumers who had been badly hit due to coal shortage, particularly the Small Scale Industries, brick kilns and domestic consumers. The representative of the Ministry of Railways stated that the small industries were under the control of the Director of Civil Supplies in the States who sponsored their wagon requirements. The Rail Allotment Officer was guided by the recommendations made by the sponsoring authorities. It was no doubt true that the position was bad during 1973-74 but it had improved considerably after the Railway strike as was evident from the rising level of movement on the one hand and the declining pit-head stocks on the other. The brick kiln industry had suffered due to shortage of slack coal as the demand of the power houses for this coal had increased manifold. So far as other industries were concerned, the Railways had given preference to them in the matter of supply of steam coal over their own requirements and this had resulted in shortage of coal for Railways' own consumption.

3.46. The Committee observe that there was a shortfall of 11.7 million tonnes in the supply of coal to 'Others' vis-a-vis the target of 42 million tones (revised) during the last year of the Fourth Plan and that the supply did not exceed 34.3 million tonnes during any of the preceding five years.

3.47. The Committee further observe from the statement given in para 3.37 that the movement of coal by road has gone up from 10.09 million tonnes in 1969-70 to 19.89 million tones in 1973-74 i.e. almost 100 per cent, whereas the total despatches have gone up only by about 4.5 per cent in this period. As the cost of haulage by road is considerably higher than that by rail, it is obvious that non-availability of wagons has compelled the industry to resort to road transport. The Committee are, therefore, enable to accept the contention of the Ministry that the quantity of coal left for movement by rail was not sufficient for Railways to achieve the target of 77.5 million tonnes.

3.48. In their 68th Report (Fifth Lok Sabha) on the Availability and Distribution of coal, the Estimates Committee have pointed out that apart from heavy shortfall in supply of coal to the steel plants and the cement industry, the supply of coal to thermal power stations has been very erratic during the Fourth Plan period; there have been heavy shortfalls in the supply of coal to the brick kiln industry and also in supply of hard coke to other consumers and that there is an enormous gap between demand and supply of soft coke in most of the States.

3.49. As Government would undoubtedly take appropriate action on the recommendations of the Estimates Committee, the Committee do not wish to dilate on the subject except to add that in view of the considerable increase in coal production envisaged in the Fifth Plan, the Railways should ensure that the requirements of the industry, the thermal power stations, domestic consumers and other small users are met fully and in time.

*(d) Supply of coal for Railways' own consumption*

3.50. In a note furnished to the Committee, the Adviser (Transport), Coal Mines Authority has stated:

"I trust it is known that the Railways run on non-coking coal. The production of this coal has increased, particularly during the last two years.



Production in million tonnes

Year	Coking	Non-coking	Total
69-70 . . . . .	18.00	57.72	75.72
70-71 . . . . .	17.82	55.13	72.95
71-72 . . . . .	16.75	55.67	72.42
72-73 . . . . .	16.62	60.60	77.22
*73-74 . . . . .	15.77	62.10	77.87

\*all provisional figures.

It would be pertinent to ask why trains were not cancelled in previous 3 years when production of non-coking, and therefore, of loco coal was much less."

3.51. The Committee enquired during evidence about the number of trains that still remained cancelled for want of loco coal, the annual requirement of the Railways, the extent to which it was met during the Fourth Plan and the reasons for continued non-availability of the requisite quantity of coal. The representative of the Ministry stated that as on date (26th November, 1974), the total number of pairs of trains which remained suspended was 284.

3.52. Explaining the reasons for continued suspension of these trains, he stated that initially there was intermittent cancellation during 1973 due to two factors viz. coal shortage and inability of Railways to carry coal because of power cut and labour unrest. In November, 1973 planned cancellation of trains had to be resorted to because the Railways experienced serious shortage of steam coal. In order to enable the industrial consumers to meet their minimum essential needs preference was given to the industry. Later, in preparation for the Railway strike scheduled to commence from the 27th April, 1974, the Railways cancelled a number of trains. Some more trains were cancelled during the strike period. After the strike was over and the movement position improved, the Zonal Railways were told to restore all the cancelled trains. However, at the end of July and beginning of August 1974, the Railways again started experiencing shortage of steam coal and, therefore, the trains which had not been restored till then, could not be restored. Even now the stock position of steam coal with the Railways continued to be at a very low average, say for about three days' consumption only. He added that so far as coking coal was concerned, the requirements of washeries as well as the Steel Plants were being met fully after the strike.

3.53. The representative of the Ministry of Railways added that their total annual requirement of loco coal was of the order of 14.4 million tonnes. As against this, the loading in the first six months of the current year was 6.8 million tonnes worked out on the basis of the average daily number of wagons loaded *viz.* 1,661 (4 wheeler BG wagons). On the other hand, their total requirement was 1,800 wagons for running all the services.

3.54. In reply to a further question about the steps being taken by the Ministry of Energy to meet in full the Railways' requirement of steam coal, the representative of the Ministry of Energy stated during evidence that as against the actual supply of 13.92 million tonnes of steam coal to the Railways during the year 1973-74, the programmed supply for the current year (i.e. 1974-75) was 14.04 million tonnes. He added that the programme for the Fifth Plan actually envisaged progressive reduction in coal consumption by the Railways in view of their dieselisation/electrification programmes. If the current trend was to be taken into account, the Railways would need about 15 million tonnes from Coal Mines Authority and National Coal Development Corporation collieries alone whereas the programme from these collieries was for about 12.84 million tonnes annually. Taking the Railways as a whole, it appeared that the trend of their annual demand would increase to 18 million tonnes against their earlier estimated demand of 14.04 million tonnes which was nearly 28 per cent more.

3.55. The representative of the Ministry of Energy added that the difficulties experienced during the earlier part of the current year were largely due to the fact that this period included the monsoon period when production generally declined. The fact that Railways had been supplied 6.8 million tonnes during the first six months of the year showed that they had fulfilled their obligations in this regard. While they could exceed 14 million tonnes during the current year, they may not be able to supply 18 million tonnes without affecting the supply to other consumers.

3.56. In reply to a further question as to why under these circumstances it was not possible for the Railways to restore the cancelled trains, the representative of the Ministry of Railways stated that it was a matter of record that during the months of July and November when they were clamouring for more loco coal, they were not getting sufficient quantity as a result of which they had to undertake a planned cancellation of trains during November, 1974. There had been several inter-ministerial discussions even at the Secretary's level and a communication was also sent to the

Department of Mines pointing out the position from month to month. He added that the Railways did not want to work on a slender margin of 2 to 3 days. Therefore, unless they were able to build up seven days' stock they would not be able to resume all the services.

3.57. In a further note on the subject, the Ministry of Railways have stated that despite a marginal reduction in their requirements Railways have been experiencing difficulties in obtaining adequate supplies of steam coal from early 1973. Steam coal is also used by essential industrial consumers and apparently their requirements are going up at a much faster rate.

3.58. The unsatisfactory position of coal supplies to the Railways was brought to the notice of the Department of Coal from time to time by official and demi-official letters including D.O. references by the Deputy Minister and Minister for Railways. The subject was also discussed in several meetings and also with the Cabinet Secretary. The acute position, however continued.

3.59. In order to make available to the industries their essential requirements of steam coal, Railways had to reduce their own consumption. In order to do this, Railways had to resort to planned suspension of some short distance and less intensively utilised passenger trains from November, 73 without in any way affecting the interests of daily commuters, court passengers, students, industrial workers etc. Further cancellations had to be resorted to in April, 1974 on the eve of general strike on Railways and during the strike period in May, 1974. With the restoration of normal conditions on Railways from June, 1974 Zonal Railways were advised to resume the services gradually.

3.60. Unfortunately, the supply of steam coal continued to be poor and Railways had to freeze restoration of services from August, 1974. Against a requirement of 1,800 four wheeler wagons of loco coal per day approximately, the daily average loading during August and September, 1974 was 1698 (94.3 per cent) and 1731 (96.1 per cent) wagons respectively. As a result of the short supply the coal stocks on the Railways had dropped from 5.2 days consumption level on 1-8-1974 to 3.6 days on 1-10-1974.

3.61. Asked about the number of trains cancelled during 1973-74 and 1974-75, the Ministry have replied that information in this regard is not readily available. Upto October, 1973, there was no planned curtailment of passenger services. The total trains cancelled on day-to-day basis depending on coal stocks amounted to a daily average of 42 pairs approximately. From November, 1973,

planned curtailment of about 264 pairs of passenger trains was made. On the eve of the all India Railway strike and during the strike, further cancellations were made. The total cancelled trains as on 1-5-1974 were 1078 pairs out of a total of 1738 pairs of non-suburban passenger trains.

3.62. In reply to a further question on the subject, the Ministry of Railways have stated that the total kilometrage of 284 pairs of passenger trains, which are mainly branch line short distance trains, is approximately 50,000 kilometres per day and the approximate requirements of coal for these trains would be 1650 tonnes per day which is 4.2 per cent of the total normal loco coal consumption of the Railways.

3.63. Asked about the loss of revenue to Railways due to cancellation of these trains, the Ministry have replied that Rs. 16.67 crores approximately has been assessed as loss in earning in 1973-74.

3.64. A detailed note on the subject furnished by the Ministry of Railways in consultation with the Ministry of Energy and through the Cabinet Secretary, is given in Appendix-II. It will be seen from Annexure-III thereof that the shortfall in supplies of loco coal during each year of the Fourth Plan have been of the following order:—

(in million tonnes)

Year	Anticipated requirements	Actual supplies	Shortfall
1969-70 . . . . .	16.2	16.2	Nil
1970-71 . . . . .	16.0	15.3	(-) 0.7
1971-72 . . . . .	15.0	15.3	(+) 0.3
1972-73 . . . . .	14.8	14.8	Nil
1973-74 . . . . .	14.6	13.4	(-) 1.2

3.65. It will also be seen that during the current year (1974-75), the daily number of wagons loaded dropped to 1594 in May, 1974 against the normal requirement of 1800 wagons (for the programmed loading of 14.4 million tonnes). The situation has improved since November, 1974, the daily loading being 1793 wagons in November, 1974 and 1887 in January, 1975.

3.66. The Railway Minister announced in his speech while presenting the Railway Budget for 1975-76 in the Lok Sabha on the 20th February, 1975:—

“Now that the production of coal has begun to gather momentum, it should be possible for us to build up our stocks. Subject to this contingency, restoration of cancelled trains will be commenced from the first of March and progressively increased in the next few months.”

3.67. The Committee note that the Railways started experiencing difficulties in obtaining adequate supplies of steam coal from early 1973 and in spite of several communications to the concerned authorities and high level discussions, the position continued to deteriorate. In order to meet the minimum essential requirements of the industry, the Railways were finally compelled to curtail their own services w.e.f. 1st November, 1973. The worsening labour situation on the Railways which culminated in an all-India strike in May, 1974 led to further curtailment of the services in April, 1974. The total number of trains which stood cancelled as on 1-5-1974 was as many as 1078 pairs out of a total of 1738 pairs of non-suburban passenger trains run daily by the Railways. In spite of rapid restoration or normalcy on the Railways, the supply position of coal did not improve till November, 1974 and as many as 284 pairs of trains which represent about 16 per cent of the normal non-suburban services still remained to be restored till about the end of that month. The Committee further note that the loss of passenger earnings to the Railways due to cancellation of trains has been assessed to be about Rs. 16.57 crores in 1973-74.

3.68. The Committee observe that the loco coal requirements of the Railways during the Fourth Plan period were anticipated to come down gradually from 16.2 million tonnes in 1969-70 to 14.04 million tonnes in 1973-74. However, due to the oil crisis, it became necessary to reduce the condemnation of steam locomotives and hence the requirements of loco coal were estimated at 14.9 million tonnes for the last year of the Plan. While the requirements were met in full in the earlier years of the Plan (except in 1970-71 when there was a small shortfall of 0.7 million tonnes), the supplies made in 1973-74 fell short of the revised requirements by 1.2 million tonnes. Against an average daily requirement of 1800 wagons (BG 4-Wheelers), the Railways were supplied 1639 wagons during that year i.e. 161 wagons short of their daily requirements. According to the Railways, despite a marginal reduction in their requirements, a

large number of trains continued to remain cancelled so as to meet the minimum essential demands of the industries whose requirements are stated to be apparently going up at a much faster pace.

3.69. In paragraph 4.52 of their 68th Report (Fifth Lok Sabha) the Estimates Committee have observed:—

“The Committee are surprised to note that the figures\* of demand and supply of coal to Railways furnished to them, do not indicate any shortfall in overall supplies of coal to the Railways. It is, therefore, paradoxical that while on the one hand the demand of coal for the Railways appears to have been met fully, there have been persistent shortfalls in availability of coal to the Railways resulting in cancellation of train services causing inconvenience to travelling public. It appears to the Committee that shortfall in coal supplies to the Railways may be partly due to the Railways’ demand for coal as originally projected, being on the low side. The Committee would urge that a thorough probe into the circumstances in which the Railways experienced shortfall in supplies of coal should be made by Government to find out whether it was due to inadequacy in forecasting of demand by Railways, production deficiencies or transport bottlenecks etc. and should devise effective remedial measures to ensure against recurrence of such situations”.

3.70. The Committee would like to point out that there is a marked discrepancy in the figures of anticipated requirements and actual supplies of loco coal to the Railways as furnished by the Railway Board to the Estimates Committee and to this Committee. While, according to the information given to the Estimates Committee, the Railways’ requirements were met in full, according to the information now given to this Committee, there was a shortfall of 1.2 million tonnes in 1973-74. The Committee, therefore, endorse the recommendation of the Estimates Committee that there should be a probe into

NOTE : \*According to the data furnished to the Estimates Committee, the demand and supply of coal to the Railways during the Fourth Plan period was as under:—

( in million tonnes),

	Demand	Supplies
1969-70 . . . . .	16.20	16.62
1970-71 . . . . .	16.00	15.56
1971-72 . . . . .	14.90	15.84
1972-73 . . . . .	14.20	15.28
1973-74 . . . . .	13.40	13.92

the matter to ascertain the circumstances in which the Railways experienced shortage of coal resulting in cancellation of a large number of trains. Since the position has now improved, both in production and movement of coal, there is no valid reason why the train services should continue to remain suspended.

3.71. The Committee would like Government to confirm that the supply position of loco coal is now satisfactory and that all suspended services have been resumed.

3.72. The Committee would further like Government to inform Parliament about the demand projections of steam coal for various industries in the Fourth Plan, their actual demands (year-wise) and the extent to which these were met so that a correct overall picture is available and remedial action as called for may be taken.

(e) *Weighing Facilities for Coal Wagons*

3.73. The Adviser (Transport), Coal Mines Authority, has in a note submitted to the Committee in Order, 1974 stated:—

“.....the Eastern Railway in a desperate attempt to speed up wagons, has been sending away loaded coal wagons without weighment.

It has been estimated that nearly 1,00,000 such wagons have been despatched without weighment in the last 6 months. Since overloading of wagons has always been a normal feature and 2 tonnes overload for 4-wheelers is officially permitted by the Railway Rules, the loss to the Nation in coal price and freight can be easily imagined.”

3.74. The Committee enquired about the arrangements made to provide adequate weighment facilities at major loading and unloading points during the Fifth Plan to obviate complaints. The representative of the Ministry of Railways stated during evidence that arrangements for weighment existed at all major loading and unloading points and as and when traffic developed, necessary weighment facilities were made available at various points. The requirements of weigh-bridges and weighing machines were always included in their programmes. So far as coal was concerned, it was generally freighted according to the carrying capacity of the wagons. However, there were facilities for weighment at the colliery sidings. As the Railways were resorting to bulk movement of coal in rakes

on a direction-wise basis, it was not convenient to pass these rakes on the weigh-bridges. In any case, the Railways did not lose because freight was calculated on the basis of the carrying capacity of the wagons. He added that if every single wagon was to be weighed, it would mean larger holding of stock and heavy detention.

3.75. In a further note furnished to the Committee on the subject, the Ministry of Railways have stated that the normal orders require all coal wagons to be weighed and weight of coal to be recorded in the invoices and R. Rs. If, for any reasons, the wagons are not weighed at the booking stations, there are rules providing for weighment of such wagons *en route* at the first available weigh-bridge station.

3.76. On the Eastern Railway, it is true that a certain percentage of wagons loaded with coal do not get weighed. The position with regard to coal wagons not weighed can be ascertained from the following table:—

DEPOT	Percentage of coal wagons not weighed			
	July, 74	August, 74	Sept., 74	October, 74
Andal	26.9	22.3	25.5	27.5
Asansol .	11.6	5.5	10.4	2.7
Sitarampur	54.4	37.1	25.8	16.9
Barakar .	39.8	43.0	25.6	14.3
Patherdih	15.3	10.2	11.1	15.9
Kusunda .	40.4	35.8	23.0	23.0
Katras .	60.1	56.1	45.2	51.8

3.77. It will be observed that the quantum of traffic not weighed is small and where weighment does not take place, there are very specific reasons which more than compensate for any discrepancies in the weight that might be observed during weighment. In this context, it is relevant to mention that coal is charged on the marked carrying capacity of the wagon plus one tonne, irrespective of whether the wagon has actually been weighed or not. A few instances, explaining the reasons for non-weighment of wagons will illustrate that the insistence on weighment of every wagon will result in the development of unsatisfactory and counter-productive operating practices:—



- (1) At Andal, rakes dealt with directly in the inter-yard and at BOX Wing Lines Nos. 1 to 4 bypass the weighbridge. Such rakes are about 4 per day.
- (2) Loading for N. F. Railway and loco coal for Sahibganj Loop Section carried out at Ukhra and Pandaveswara depots gets cleared directly and does not touch Andal. Therefore, such wagons also get passed without weighment. Such rakes would be 1 to 1.5 per day.
- (3) All rakes loaded for South Eastern Railway at Patherdih Depot excluding those for Patherdih Washery are not weighed at Patherdih since the South Eastern Railway Interchange Yards are not connected either with pre-weighment or with weigh bridge lines.
- (4) At Kusunda depot, traffic for DSP and DCOP load in Khoira I and II pilot sections is passed without weighment because the wagons are dealt with in the South yard. Similarly, rakes loaded in Kusunda I pilot section and dealt with via Tetulmari Gomoh are also not weighed.
- (5) In Katras Depot, loading of Katri pilot does not touch any weighbridge. Further, in Katras Depot, four-wheeler rakes loaded in Katras I pilot section also get passed without weighment because the pre-weighment line at Katras cannot hold more than 55 wagons and therefore these rakes are dealt with directly in the departure yard. Besides, from this depot, soft coke is being loaded and soft coke does not lend itself to overloading and therefore the non-weighment of such a wagon does not jeopardise the railway interests either from the point of view of safety or from the point of view of the freight charged.

3.78. The Ministry have however, added that this matter is receiving the attention of the Railway Board and even recently a directive has been issued to the Eastern Railway to ensure that coal is loaded upto the loading lines only marked on the wagons, taking into consideration the density of coal according to gradations and passing necessary remarks in the R.Rs. in the case of wagons that are passed unweighed.

3.79. As to the adequacy of weigh bridges, the Ministry of Railways have informed the Committee that weighbridges have been provided at many but not all important loading centres. Where wagon loads have to be weighed, if weighbridges are not provided

at the loading centre, arrangements exist for weighment either at stations *en route* or at the destination. Provision of weighbridges is planned on annual basis depending upon the prospects of traffic at a particular point. Proposals for providing weighbridges at 13 stations are envisaged during the Fifth Plan period. As for collieries, the policy is to encourage the colliery owners to provide weighbridges at their own cost.

3.80. The Committee observe that on the Eastern Railway which is the major coal loading Railway, the percentage of coal wagons not weighed varies from depot to depot and month to month. The percentage is the highest in the Katras Depot where it ranged from 45.2 to 61.1 per cent during the months July to October, 1974. The Committee understand that a directive has been issued to the Eastern Railway to ensure that coal is loaded upto the loading lines only marked on wagons, taking into consideration the density and grade of coal.

3.81. According to the Adviser (Transport), Coal Mines Authority, "since overloading of wagons has always been a normal feature and two tonnes overload for 4-wheelers is officially permitted by Railway rules, the loss to the Nation in coal price and freight can be easily imagined."

3.82. The Committee would, in this connection, like to reiterate the following recommendation made by the Estimates Committee in para 5.79 of their 68th Report (5th Lok Sabha).

"The Committee suggest that as the sidings from which loading of coal is done, are now being rationalised, it should be possible to provide weighbridges at suitable points and obviate complaints of short despatch etc. from the consumers."

3.83. As the Railways' policy is to encourage colliery owners to provide weighbridges at their own cost and since all the coal mines have now been nationalised, the Committee would like the Ministry of Railways to take up the matter with the Ministry of Energy so that the weighing facilities are suitably augmented.

3.84. The Committee would also urge the Ministry of Railways to see that their directive to Railways to ensure loading of coal upto the loading lines keeping in view the density and grade of coal, is followed by the field authorities in letter and spirit and that any complaints in this regard are taken serious note of, in the national interest.

### C. Iron Ore for Export

3.85. The targets and actual materialisation of iron ore traffic during the Fourth Five Year Plan were as under:—

Targets		Actual Materialisation					In million Tonnes	
Original	Revised	1969-70	1970-71	1971-72	1972-73	1973-74	Original target	Revised target
16.0	16.0	8.8	9.8	10.7	9.9	8.4	7.6	7.6

3.86. Explaining the reasons for shortfall in loading of iron ore traffic, the Ministry of Railways have stated that the loading in the first four years of the Plan has been ranging between 8.83 and 9.30 million tonnes. In 1969-70 and 1970-71 the loading of iron ore for export did not come up due to frequent regulations in booking to Madras, Kakinada, Vizag and Paradip Ports due to inadequate shipping arrangements, labour troubles and machinery break-down in Bailadilla Mines which affected production. In April, August and September, 1971 the movement of export ore was affected due to labour strike in Madras Port, frequent tippler failures at Vizag Port, reduced movement of export ore by the N.M.D.C. from the Bailadilla sector, controlled movement from Kiriburu due to inadequate shipping schedule and gradual suspension of movement from Kiriburu from early December owing to restrictions imposed by Vizag Port as the contractual obligation for movement of Kiriburu ore had been completed. Loading of export ore in 1972-73 was affected by the short fall against anticipated increase in production from Bailadilla mines, machinery breakdown, frequent difficulties in the movement of traffic to the Ports owing to labour conditions and shipping difficulties. In 1973-74 loading of export ore was affected largely due to railways' own difficulties and partly due to production shortfalls in Bailadilla mines and labour trouble at Madras Port.

3.87. The Committee observe that the Railways' loading target of 16 million tonnes of iron ore for export for the final year of the Fourth Plan envisaged additional loading of the order of 10.8 million tonnes over the Railways' performance in the last year of the Third Plan. The maximum loading was in 1971-72 when the Railways moved 10.7 million tonnes while in the last year of the Plan it was the lowest being only 8.4 million tonnes. The Committee note that loading of export ore was affected in 1973-74 both due to Railways' own difficulties and also on account of production shortfalls in Bailadilla mines and labour troubles at Madras Port. In earlier

years, the loading was affected by a variety of reasons for which the Railway state they are not responsible.

3.88. The Committee would like to point out that heavy capital investments have been made in the Third and Fourth Plans for carrying the projected traffic of iron ore for export. The shortfall is of the order of about 50 per cent in the Fourth Plan. The Committee consider that had the projections been realistic, the investments could have been diverted to meet more pressing developmental requirements. The Committee stress that before any further investment is made for meeting the projected traffic requirements of iron ore for export in the Fifth Plan, the capacity created already with heavy investment, should be fully taken into account.

#### D. Cement Traffic

3.89. The targets and actual materialisation of cement traffic during the Fourth Plan were as follows:

Target		Actual Materialisation					Shortfall Compared to	
Original	Revised	1969-70	1970-71	1971-72	1972-73	1973-74	Original Target	Revised Target
12.6	13.25	10.7	11.0	11.2	10.5	10.0	2.6	3.2

( in million tonnes)

3.90. The Committee called for data regarding the total Cement production during the Fourth Plan, the number of wagons indented, supplied and loaded (year-wise) and the reasons for the Railways' inability to load as per the targets for each year of the Plan. In a note on the subject, the Ministry of Railways have furnished the following information:

3.91. The production of cement during each of the last five years is given below:—

1969	.	.	.	13.6 million tonnes
1970	.	.	.	14.0 "
1971	.	.	.	14.9 "
1972	.	.	.	15.7 "
1973	.	.	.	14.9 "

The above table shows that there has been a progressive increase in cement production upto 1972; there was, however, a decline in 1973. The shortfall in production in 1973 is stated to be largely due

to power cuts imposed by the State Electricity Boards of Tamil Nadu, Andhra Pradesh, Rajasthan, Haryana, Gujarat and Karnataka, disturbed law and order situation in Andhra Pradesh which resulted in complete closure of cement factories in that State for one month in February 1973. The labour strikes in certain cement factories like Jamul, Dalmianagar and Chittorgarh also contributed to fall in production.

3.92. The number of wagons indented, supplied and loaded in the last five years (separately for BG & MG) is given below:

Year]	Gauge	Wagon Indent	Wagons supplied	Wagons loaded
1969	B. G. . . . .	378891	339537	320834
	M. G. . . . .	212914	188493	181149
	Total . . . . .	591805	528030	501983
1970	B. G. . . . .	417779	343881	322825
	M. G. . . . .	236751	204987	192671
	Total . . . . .	653830	548868	515496
1971	B. G. . . . .	478982	342406	324533
	M. G. . . . .	280568	232359	217941
	Total . . . . .	759550	574765	542474
1972	B. G. . . . .	445164	320683	308536
	M. G. . . . .	282250	228844	222630
	Total . . . . .	727414	549527	531166
1973	B. G. . . . .	372960	318299	299568
	M. G. . . . .	220652	190744	185301
	Total . . . . .	593612	509043	484869

3.93. As regards the loading targets and actual movement, the Ministry of Railways have furnished the following information:—

( in million tonnes)

	Target	Actual Movement
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3.94. The Ministry have stated that the movement of cement in the first two years of the Fourth Plan was more than the target. In 1971-72 there was an improvement on the previous two years but there was a shortfall *vis-a-vis* the target. The reasons for decline in movement of cement in 1972-73 and in 1973-74 are given below:—

1972-73

3.95. Wagón supply in the first quarter of 1972-73 was seriously affected on account of severe disruption of normal movement, particularly in the Eastern sector on account of very heavy power shedding and frequent power trippings. Apart from affecting train running on the electrified sections directly, such serious power shortage affected the working of Railways also through its effect on the working of loco sheds, marshalling yards, electric colour light signals, carriage and wagon depots etc. On the South Eastern Railway and Eastern Railway, the repercussions of such power as other commodities suffered.

3.96. Severe summer conditions all over the country in the first quarter of 1972-73 also had their repercussions on railway working.

3.97. There were extremely heavy rains in July 1972 in Bombay area when the track got flooded and falling boulders obstructed movement on South East Ghat. There was a series of failures of the overhead electric traction also, as a result of which loading towards Bombay area had to be severely regulated. A major strike in the month of August 1972 in the cement industry severely affected loading of cement.

3.98. Another factor which affected the ability of the Railways to meet the full requirements of the cement industry was that a large number of covered wagons had been rendered unfit for loading of commodities like cement which are highly vulnerable to damage by wet. During the major part of 1970-71 and the first half of 1971-72, when the law and order situation in the Eastern sector was unsatisfactory, a large number of wagons were damaged by miscreants deliberately by punching holes in and even removing the panels of wagons containing valuable materials like sugar, cement etc. All these covered wagons could not be used for loading of vulnerable commodities like cement till they were repaired. The Railways engaged themselves in a massive effort to improve loading of all commodities including cement, from September, 1972 onwards and there was a steady increase in loading during October, November and December 1972 over the same period in 1971. This rate of loading could not, however, be sustained due to a sharp drop in cement loading on

Southern, South Central and South Eastern Railways where movement was adversely affected by the Mulki Rule agitation from November 1972 onwards. Restriction in movement had to be imposed on a large scale as the agitation lasted upto Feb. 1973. Severe power cuts imposed in a number of States like Tamil Nadu, Andhra Pradesh, Rajasthan, Gujarat etc. towards the end of 1972 which continued in 1973 also affected rail movement of cement.

3.99. Engineers of the U.P. State Electricity Board went on a strike in January 1973. This resulted in complete disruption of movement on the Mughalsarai—Tundla Section of Northern Railway and consequently movement of cement from Eastern and Southern regions was adversely affected.

3.100. A strike by Railway staff of Bilaspur and Chakradharpur Divisions of South Eastern Railway towards the end of February 1973 also affected cement loading in the latter part of February and first part of March 1973.

3.101. Apart from the above, there were a number of cases where the cement factories could not load due to mechanical breakdown.

1973-74:

3.102. The year 1973-74 was a very difficult year for the Railways when Railway operations practically throughout the year were affected by a spate of agitations, strikes etc. The loading of cement, as well as other commodities was affected as a result.

In the first two months of the year, extensive power shedding and frequent power tripping severely affected and slowed down running of trains on the Eastern and South Eastern Railways. Power cuts imposed in the States of Tamil Nadu, Karnataka, regions (from February to July and again imposed in October) also affected production and wagon demand there. A labour strike at Dalmianagar cement plant for 8 days in April, 1974 and in the month of May at Jamul factory of the ACC affected loading of cement. Acute drought conditions in many parts of the country (particularly the States of Bihar, Andhra Pradesh and Gujarat) caused heavy absenteeism among running staff and resulted in inadequate availability of water for steam engines.

3.103. The Locomen's strike in May 1973, August 1973 and December 1973 severely affected train running and caused extensive immobilisation of wagons. Labour trouble at transshipment points like Garhara (in April and December 1973) and New Bongaigaon (in September 1973) also caused dislocation in movement.

3.104. A major breach on the river Teesta in June 1973, paralysed rail movement on the B. G. to and from N. F. Railway. Heavy rains in different parts of the country resulted in breaches and flooding of track on the N.F., South Eastern, Central and Western Railways. In addition, train operations on the Northern and Western Railways were badly affected due to unprecedented sand storms in Rajasthan area.

3.105. Agitation by staff of Sholapur Division of South Central Railway for merger with Central Railway which started from the middle of August and later turned into a large scale public agitation which continued upto the last week of September severely affected movement of traffic to and from Northern and Western sectors of the country to the South.

3.106. The civil disturbances in Gujarat in December 1973, January and February 1974, Maharashtra in December 1973 and Bihar in January 1974 also caused dislocation in movement.

3.107. A strike in Rohtas cement factory for about one month from the middle of January, lock-out at Chittorgarh factory for a fortnight in January, closure of Churk factory for 22 days in February affected movement of cement.

3.108. The Committee enquired how far the non-availability of wagons had affected the production of cement during the Fourth Plan and what steps had been taken to ensure that bottlenecks did not develop in the movement of raw materials to and the finished product from the factories. The Ministry of Railways have stated that the year 1973-74 was a very difficult one in the history of the Railways. There were difficulties in movement all over including difficulty in movement of raw materials to cement industry. It is, however, difficult to quantify the loss in production on this account.

3.109. Raw materials for cement plants have been accorded a high priority in movement, i.e. Priority 'D'. A close watch is kept on the stock of raw materials with the cement factories and assistance is afforded as and when shortage of raw materials is reported. The supply of coal to the cement plants has been brought under the purview of the Standing Linkage Committee.

3.110. As regards movement of cement, daily quotas for loading of cement have been allocated to the various cement factories and a day to day watch is kept on the wagon supply to the cement factories.



3.111. The Committee are constrained to observe that the number of wagons supplied by the Railways to the cement industry fell short of indents by 63,775 in 1969; 1,04,962 in 1970; 1,84,785 in 1971; 1,77,887 in 1972 and 84,569 in 1973. The number of wagons actually loaded fell short of the indents by 89,822 in 1969; 1,38,334 in 1970; 2,17,076 in 1971; 1,96,248 in 1972 and 1,08,743 in 1973. It is obvious that non-availability of wagons has considerably hampered the production of cement which is essential for industrial use as well as for construction of houses.

3.112. In paragraph 2.47 of their 60th Report (Fifth Lok Sabha) on Availability and Distribution of Cement, the Estimates Committee have pointed out that according to the Ministry of Industrial Development a production of 5 lakh tonnes was lost during 1972 due to non-availability of wagons from the Railways. It has been further stated that during the period July—Sept. 1973 a production of 2,53,923 tonnes was lost on account of shortage of coal. The Estimates Committee have inter-alia observed:

“2.34. The Committee regret to note that inadequate supply of coal for cement industry has resulted in considerable loss in cement production. During the period July—September, 1973, the loss in production was as much as 2½ lakh tonnes of cement on this account. It is apparent that this sorry state of affairs has developed due to lack of coordination among the Ministries of Industrial Development, Steel and Mines and Railways. The Committee would urge that urgent and effective measures should be taken to ensure adequate and timely supply of coal to the cement industry so that the production of cement does not suffer on this account.”

3.113. The Estimates Committee have further observed:

“3.70. The Committee are deeply concerned to note that there is a wide gap between the demand and availability of wagons to the cement industry which has resulted in substantial loss in production of cement.

“3.71. The Committee note that Government have taken the following measures in this regard:

- (1) a Control Room has been constituted in the Railway Board to keep a close watch on wagon supply position to cement factories;

- (ii) daily wagon quotas Railway-wise and factory-wise have been fixed;
- (iii) a Committee of Secretaries keeps a watch on monthly performance.

"The Committee hope that with the steps now taken by Government there will be greater availability of wagons to the cement industry and their day-to-day demands for wagons would be largely met."

3.114. While the Committee recognise the various handicaps and adverse conditions under which the Railways have been functioning in recent years, they regret to note that in spite of its being a high priority commodity, the movement of cement has suffered a great deal during the Fourth Plan. The shortfalls in movement of raw materials, particularly coal, have also resulted in considerable loss of production of cement.

3.115. The Committee would like the Ministries of Railways and Industry & Civil Supplies to evolve suitable and firm linkages for supply of coal and other raw materials to cement factories and for movement of the finished product to various consuming centres. The Committee cannot over-emphasise the need for maintaining close co-ordination between the Railways and the cement factories in the matter of supply of wagons on an assured basis, particularly leak proof covered wagons so as to obviate damage by wet.

#### E. General Goods

##### (a) POL Traffic:

3.116. The targets and materialisation of POL traffic during the Fourth Plan were as under:—

(In million tonnes)

Target		Actual Materialisation					Shortfall Compared	
Original	Revised	1969-70	1970-71	1971-72	1972-73	1973-	Original Target	Revised Target
12.00	112.00	8.8	8.9	10.1	10.2	10.2	1.8	1.8

3.117. The Ministry have informed the Committee that in 1969-70, loading of petroleum products was upto the offering. In 1970-71, loading of petroleum products improved but was below the target owing partly to various difficulties in the refineries themselves and partly to the disturbed law and order situation in the Eastern sector. Loading of petroleum products in 1972-73 was affected due to

labour troubles at the refineries at Vishakapatnam, New Jalpaiguri and Cochin and intermittent production difficulties at Cochin Refinery. Demands for tank wagons for loading of molasses, liquid caustic soda, sulphuric acid, hydrochloric acid etc. were met in full. In 1972-73, there was improvement in loading of petroleum products. The movement of refined products, residual fuel oil, bitumen and liquid petroleum gas was more or less as per demand. The drop in loading in 1973-74 was largely due to the Railways' own difficulties as a result of various staff agitations and partly due to production difficulties in the refineries and due to heavy detentions to tank wagons in Steel Plants. It would be relevant to point out that the lead of POL traffic has also shown a consistent increase during the years of Fourth Plan. The average lead which was 564 kilometres during 1969-70 increased to 614 kilometres during 1972-73.

3.118. The Committee note that there was a shortfall of 1.8 million tonnes in the targeted movement of 12 million tonnes of POL traffic at the end of the Fourth Plan. On the other hand, the lead of such traffic went up from 564 kms. during 1969-70 to 614 kms. during 1972-73. The average lead in this case is, however, less than the anticipated lead of 630 kms. for the entire originating traffic and much less than the actual overall increase that occurred during the Plan period (678 kms. in 1972-73 and 662 kms. in 1973-74).

3.119. One of the reasons for shortfall in loading in 1973-74 is stated to be due to heavy detention to tank wagons in steel plants. The Committee would like the Ministry of Steel and Mines to analyse the reasons for such detentions and take necessary effective measures to remove the bottlenecks in the smooth movement of rail traffic in the steel plants yards in the light of the findings of the Khandelwal Committee which had recently examined the matter in depth.

(b) *Foodgrains and Fertilisers:*

3.120. The targets and materialisation of traffic in foodgrains and fertilisers during the Fourth Plan period were as under:—

	(In million tonnes)								
	Target		Actual Materialisation					Shortfall Compared	
	Original	Revised	1969-70	1970-71	1971-72	1972-73	1973-74	Original targets	Revised targets
Foodgrains	16.00	15.75	15.1	15.1	14.5	15.8	14.6	1.40	1.15
Fertilisers	9.40	7.00	4.6	4.7	5.2	5.4	5.5	3.9	1.5

3.121. The Ministry of Railways have informed the Committee that there was a very sharp increase in the average lead of foodgrains traffic during the first four years of the Fourth Plan. During 1969-70 the average lead of foodgrains was 887 kilometres and this increased to 1181 kilometres during 1972-73. Despite this increase in the lead and the various difficulties caused by civil disturbances and staff agitations, foodgrains and fertilisers were cleared currently.

3.122. The Committee note that the average lead of foodgrains traffic showed a sharp increase of as much as 294 kms. during the Fourth Plan period. As movement of foodgrains and fertilisers is largely sponsored by Government and enjoys high priority, the Railways have been able to meet the demands more or less currently.

3.123. The Committee, however, note that the loading of fertilisers showed a shortfall of 1.5 million tonnes vis-a-vis the revised target of 7 million tonnes and 3.9 million tonnes vis-a-vis the original target of 9.4 million tonnes. The Committee would like the Ministries of Agriculture and Irrigation and Railways to analyse the reasons for less materialisation of traffic in fertilisers, and devise necessary corrective measures for the future.

3.124. The Committee cannot too strongly emphasise the need for realistic planning in the matter of provision of rail facilities for movement of fertilisers taking note of the production of this commodity vis-a-vis the capacity already established and that proposed to be established in the next few years. It is also necessary to establish suitable linkages for movement of fertiliser traffic so as to avoid unnecessary cross movements.

(c) *Other Goods:*

3.125. The Ministry of Railways have informed the Committee that under 'Other Goods' the traffic materialisation during the Fourth Plan was of the order of 44.5 million tonnes in 1973-74 against the anticipated original target of 58 million tonnes and the revised target of 52 million tonnes. The maximum traffic carried in this category was 49.2 million tonnes in 1969-70. During the subsequent three years the traffic materialisation was as follows:—

	(in million tonnes)
1970-71 . . . . .	48.2
1971-72 . . . . .	46.9
1972-73 . . . . .	84.6

3.126. The Committee find that a shortfall of 7.5 million tonnes occurred under the head 'Other Goods' vis-a-vis the revised target during the Fourth Plan. Compared to the original target, however, the actual materialisation fell short by as much as 13.5 million tonnes. The Committee consider that a closer scrutiny of the targets with reference to the traffic materialisation for various commodities under this head is necessary for laying down realistic targets in future.

3.127. The Committee see no reason why it should not be possible for the Railways to carry all the essential and high rated traffic that is offered to them. They would like the Ministry of Railways to ensure that indents of wagons for such commodities are cleared expeditiously so as to obviate their diversion to road services.

#### F. Railway Materials

3.128. The materialisation of Railways' own traffic vis-a-vis the targets for the Fourth Plan was as under:—

(In million tonnes)

Target		Actual Materialisation					Shortfall compared to	
Original	Revised	1969-70	1970-71	1971-72	1972-73	1973-74	Original target	Revised target
18.00	18.00	16.1	12.2	11.4	9.9	7.6	10.4	10.4

3.129. The Committee observe that the movement of the Railway materials has shown a persistent decline during the Fourth Plan period with the result that in the final year of the Plan, the traffic fell short of the anticipation of 18 million tonnes by as much as 10.4 million tonnes. The Committee can see no reason for such excessive over-estimation in respect of Railways' own traffic. They would, therefore, like the Ministry of Railways to examine in depth the reasons for wide variations in the target and materialisation thereof with a view to taking necessary corrective measures to ensure that the forecasting of Railways' own traffic is done on a more realistic basis in future.

## CHAPTER IV

### PASSENGER TRAFFIC

#### A. Non-Suburban Traffic

##### (a) Anticipations and Materialisation

4.1. The Committee enquired about the projections made in regard to the increase in non-suburban traffic during the Fourth Plan, the rationale thereof and the actual materialisation of such traffic during each year of the Plan. In a note on the subject furnished to the Committee, the Ministry of Railways have stated that the Railways' original Fourth Plan had anticipated an increase of 23.06 per cent during the five year period in respect of non-suburban passenger traffic. This estimate of passenger traffic was based on a detailed study of the observed correlation between national income and rail passenger traffic in the past and took into account passenger distribution on different gauges for different leads of movement for each individual class of travel. The estimate was made separate for Mail and Express trains and ordinary passenger trains. The resulting increments in passenger kms. were used to develop additional vehicle kms. requirements based on norms of vehicle usage and availability. This detailed study was made by the Economic Unit of the Railway Board.

4.2. While the growth of non-suburban passenger traffic was anticipated to be 23.06 per cent the actual provision made in the Plan, based on the limitation of production capacity as well as resources, was to cater to an increase of about 19.8 per cent.

4.3. The increased in passenger kilometres for each year of the Fourth Plan over 1968-69 (beginning of the Fourth Plan) *vis-a-vis* increase in the number of coaches was as under:—

Year	Total passenger kilometres (in millions)	% increase over 1968-69	Total Coaching stock	% increase over 1968-69
1968-69 . . . . .	87,425	..	23,701	..
1969-70 . . . . .	91,219	4.3	24,049	1.0
1970-71 . . . . .	95,068	8.7	24,591	3.5
1971-72 . . . . .	101,078	15.6	24,997	5.4
1972-73 . . . . .	106,931	22.3	25,457	7.4
1973-74 . . . . .	107,627	23.0	26,019	9.1

4.4. The Ministry of Railways have added that although it was not been possible to provide for the entire growth of passenger traffic during the Fourth Plan due to terminal difficulties, want to adequate line capacity on trunk routes etc., so far as non-suburban long distance passenger traffic was concerned, the requirements thereof were largely met. The details of additional trains and coaches introduced during the Plan year-wise, are indicated below:—

Year	No. of trains introduced	Daily train kilometerage involved	No. of trains loads of which augmented	No. of coaches utilised for augmentation
1968-79 . . . . .	53	5,614	146	145
1969-70 . . . . .	90	11,070	193	279
1970-71 . . . . .	87	6,601	222	316
1971-72 . . . . .	64	6,819	395	595
1972-73 . . . . .	70	9,310	458	720
1973-74 . . . . .	NA	NA	NA	NA

4.5. The increase in vehicle kms. during each year of the Fourth Plan compared to 1968-69 has been as follows.

Year	Vehicle Kms. (in millions)
1968-69 . . . . .	4,716
1969-70 . . . . .	4,899
1970-71 . . . . .	5,011
1971-72 . . . . .	5,202
1972-73 . . . . .	5,242
1973-74 . . . . .	4,918

4.6. According to the Ministry the figures given in para 4.3 above show that the actual growth of non-suburban passenger traffic was 23 per cent which coincides with the projection of 23.06 per cent assumed for the Fourth Plan. Thus the transport capacity created for passenger traffic had not only been fully utilised but even exceeded.

4.7. The Ministry have added that the growth of 22 per cent (upto 1972-73) in non-suburban passenger traffic, was achieved by only 8 per cent increase in the non-suburban passenger coaches which clearly shows that the available assets were fully utilised by the Railways.

4.8. Referring to the actual provision made in the Plan i.e. to cater for an increase of 19.8 per cent the Committee enquired if the growth of passenger traffic at a rate faster than that provided for in the Plan, had not accentuated overcrowding in the trains. The Ministry have replied that while the requirements of long distance passenger traffic were largely met, overcrowding mainly persists on important mail and express trains and in unreserved coaches, which is primarily due to passenger preference for these trains.

4.9. In reply to a further question if any assessment had been made of the extent of overcrowding in passenger trains, the Ministry have stated that occupation of various classes of accommodation provided in the trains is assessed twice a year through a census, once in April-May and again in October-November. According to the latest census, overcrowding is prevalent chiefly in third class (now second class) unreserved accommodation on the following sections where maximum occupation varies from 128 per cent to 202 per cent of the seating capacity:—

	percentage
Delhi-Bombay Central Route . . .	144
Delhi-Bombay V.T. Route . . .	144
Delhi-Madras Route . . . . .	158
Bombay-Madras Route . . . . .	167
Bombay-Howrah Route (via Nagpur)	132
(via ALD)	128
Delhi-Amritsar Route . . . . .	202
Delhi-Howrah Route . . . . .	143
Lucknow-Katihar Route (MG) . . .	180
Delhi-Ahmedabad (MG) . . . . .	160

4.10 Asked how long this situation had been prevailing and what efforts were made during the Fourth Plan period to alleviate the hardships of the third class (now second class) passengers, the Ministry have replied that the situation of overcrowding in the unreserved second (old third) class coaches on important trunk routes is prevailing since several years. In order to relieve overcrowding, a total of 368 trains were introduced|extended during the Fourth Plan period. In addition, the loads of 1538 passenger carrying trains were also augmented mostly by second class coaches during the same period.

4.11. When asked by what time it would be possible to eliminate over-crowding in these trains and provide reserved sitting accommodation to all long distance passengers, the Ministry have replied that it will not be possible to give any firm date. However, it is the



constant endeavour to eliminate overcrowding by additional passenger trains consistent with the availability of resources.

4.12. The Committee observe that non-suburban passenger traffic registered a growth of 23 per cent (in terms of passenger Kms.) during the Fourth Plan period which more or less coincides with the anticipated increase of 23.06 per cent. The actual provision of resources had, however, been made to cater to an increase of about 19.8 per cent only. The Committee further observe that the net increase in coaching stock was of the order of 9 per cent only during the Fourth Plan period. Excluding the year 1973-74 when a large number of passenger trains were cancelled, the increase in vehicle kms. in 1972-73 over 1968-69 was of the order of 11 per cent. It is thus obvious that the increase in passenger traffic has far outstripped the provision of coaching stock and has, as a consequence, accentuated overcrowding in the passenger trains. As observed by the Committee in paragraph 6 of their Fifth Report, "this is indicative of the fact that there has been little improvement in the travelling conditions of the common third class (now second class) passengers during the last 5 years and that overcrowding on the Railways has become more or less endemic."

4.13. The Committee regret to observe that overcrowding in second class unreserved accommodation of certain long distance trains ranges from 128 per cent to as much as 202 per cent of the seating capacity. In the light of these figures, it is not possible for the Committee to accept the contention of the Ministry of Railways that the requirements of long distance passenger traffic in the Fourth Plan were largely met. The Committee would urge that the matter should be examined at the highest level and all out efforts should be made to eliminate overcrowding of passengers in the trains to avoid harassment to the travelling public, particularly in the second class. The Committee recommend that additional coaches should be provided on a priority basis to relieve overcrowding on trains where it has already crossed 150 per cent occupancy i.e. on Delhi-Madras, Bombay—Madras, Delhi—Amritsar, Lucknow—Kathiar and Delhi—Ahmedabad routes.

4.14. The Committee would like the Ministry of Railways to analyse the reasons as to why there was a small increase of 9 per cent only in coaching stock while provision of resources was adequate to cater for an increase of 19.8 per cent. They would like to

be informed about the actual expenditure incurred on augmenting the capacity for non-suburban passenger traffic vis-a-vis the Plan provision and the reasons for variations.

4.15. As short distance passenger traffic is getting increasingly diverted to roads, the Committee would like the Ministry of Railways to study this matter more intensively so as to ensure that the requirements of long distance passengers are fully met during the Fifth Plan.

(b) *Air-conditioned Travel :*

4.16. In para 2.52 of their Fourth Report the Railway Convention Committee 1971 had desired Government to examine whether it would not be in the overall interest to withdraw the air-conditioned coaches by a specified date, so as to convert|replace them by third Class (now second class) coaches in order to relieve the over-congested conditions of travel. In reply, Government have informed the Committee that:—

“...the total withdrawal of air-conditioned coaches from all trains would not be desirable. One good reason for maintaining the air-conditioned class of accommodation is to cater for the foreign tourists. Moreover, as a Commercial Organisation, the Railways should continue to provide the classes of travel for which there is demand. In fact this accommodation is provided on a few important trains only.

However, the justification for providing air-conditioned class of accommodation on specific trains is reviewed from time to time and it is withdrawn from trains or sections on which the utilisation is found to be inadequate.”

4.17. The Committee, therefore, called for the latest information showing the occupancy ratio of air conditioned coaches. The same is reproduced in Appendix-III.

4.18. It would be seen that there is a decline in the occupation of First A.C.C. in almost all the trains. It has, therefore been decided to withdraw| reduce the frequency of Air-conditioned first class accommodation on the following trains with effect from 1-11-74:—

3/4 Frontier Mail between Delhi and Bombay.

15/16 G. T. Express between New Delhi and Madras Central.

11/12 Dadar-Madras Express between Dadar and Madras Central.

1/2 Howrah-Delhi-Kalka Mails between Delhi and Kalka (during winter).

1/2 Bombay-Howrah Mails via Nagpur tri-weekly (from daily service).

4.19. The room released by these ACC coaches has been utilised for augmenting the first class coaches except 11/12 Dadar-Madras Express in which a second class coach is plying.

4.20. There is also decline in the occupation of Chair Car accommodation in Air-conditioned Expresses on all routes, specially in New Delhi-Madras route. A proposal to replace the Chair Cars by second class sleeper coaches is under consideration.

4.21. The Committee observe that there has been a marked decline in the occupation of First Class air conditioned coaches in almost all the trains on the important trunk routes and that, as a result, this facility has been withdrawn with effect from 1st November, 1974 from four pairs of trains, while on the Bombay—Howrah Mails (via Nagpur) the frequency has been reduced from daily to tri-weekly service.

A similar trend is noticeable in regard to the occupation of A.C. Chair Car coaches.

4.22. The Committee consider that this may well be due to the steep increase in the fares for these classes of accommodation in the last two years.

4.23. The Committee consider that the occupancy ratio of A.C. First Class and Chair Car accommodation provided on a number of long distance trains needs to be continuously watched and the facility may be withdrawn wherever it is found to be below the break-even point. The Committee need hardly add that wherever such facility is withdrawn, priority should be given to provide additional second class/sleeper coaches on trains where there is heavy overcrowding.

1151 L.S.—7.

### B. Suburban Traffic

4.24. The Committee enquired about the Ministry's estimate of the growth of suburban passenger traffic during the Fourth Plan and its actual materialisation. The Ministry have stated that an estimate of the growth and requirement of suburban passenger traffic for the Fourth Plan (which was to cover the period 1966—71) was made in 1967. As the commencement of the Plan was postponed by three years, the provision for EMU stock for suburban traffic was made in the Fourth Plan (1969—74) on the basis of estimates made in 1967.

4.25. In 1971, the likely growth of suburban traffic during the Fourth and Fifth Plan periods was reviewed to take into account the latest trends in the development of traffic. As per this estimates, the suburban originating passengers were expected to increase from 1076.30 million (excluding Secunderabad) in 1968-69 to 1391.77 million (excluding Secunderabad) by 1973-74, i.e. the end of the Fourth Plan. As against this projection, the actual growth was of the level of 1396 million (provisional figures).

4.26. As more than 90 per cent of the suburban traffic is carried in EMU trains, the extent to which the Railways were able to meet the requirements of suburban traffic would be evident from increase in EMU vehicle Kms. which is indicated in the following table:—

Year	All suburban Passengers originating (in millions)	EMU Passenger Kms -in millions	EMU vehicle Kms. in millions	Coaching stock (EMUs)
	Index.	Index	Index	
1968-69	1076.30 (100)	19,436 (100)	159.27 (100)	1,650 (100)
1973-74 (Provi- sional figures)	1396 (129.7)	28,037 (144)	9 (143.8)	1,898 (115)
	(Excluding Secunderabad)			

4.27. From the above, it will be seen that as against an increase of 29.7 per cent in the overall suburban originating traffic and 57.4 per cent increase in EMU passenger Kms. The increase in EMU vehicle Kms was 43.8 per cent. In this context it may be clarified that vehicle Kms. will not reflect the increase in service capacity on account of increased accommodation per coach resulting from replace-

ment of old EMU coaches with new design EMU coaches in Bombay area, which accounts for the heaviest suburban traffic. Even the marginal fall in vehicle Kms. as compared with EMU passenger Kms. was mainly due to shortfall in the availability of EMU stock.

4.28. Even so from the table given above, it will be seen that the Railways were, by and large, able to meet the requirement of incremental suburban traffic during the Fourth Plan. This is evident from the fact that against an overall increase of 44 per cent in suburban passenger Kms, the EMU vehicle Kms. increased by 43.8 per cent, though the EMU stock increased only by 15 per cent.

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NOTE:—Secunderabad statistics have been excluded from the service statistics in view of the observations contained in the Railway Convention Committee's (1971) Second report—Para 1.20.

4.29. The Committee observe that during the Fourth Plan the number of suburban passengers increased by 29.7 per cent while the EMU passenger kms. and vehicle kms. increased by 44 per cent and 43.8 per cent respectively. The increase in EMU coaching stock was, however, 15 per cent only. In paragraphs 2.11, 2.13 and 3.17 of their Second Report, the Railway Convention Committee, 1971 had drawn attention to the heavy overcrowding in suburban trains in Bombay, Calcutta and Madras and had pointed out that the additions to train services in these cities had not been in proportion to the increase in suburban traffic resulting in deterioration of travel conditions. They had urged that pending introduction of Rapid Transit systems in these metropolitan cities, the Railways should take crash measures to bring about improvements in the existing facilities.

4.30. In their Third Report on action taken by Government on the above Report of the Railway Convention Committee, the (present) Committee have further pointed out that according to the expert studies made by Railways there is scope for improving the frequency of services by reducing the headway between successive services and by lengthening the rake by addition of Electric Multiple Units. The Committee have suggested that as implementation of Mass Transit system may take considerable time, the Railways should take concerted measures to optimise the existing suburban services in the Metropolitan cities in order to provide at least some relief to the hard pressed millions of commuters who use these services. The Committee would reiterate the above recommendations and would like the Railways to take steps to implement the same without further loss of time.

### C. Metropolitan Transport Projects

4.31. The plan provision on each of the Metropolitan Transport Projects in the cities of Calcutta, Bombay, Delhi and Madras during the Fourth Plan was as under:—

	Original Plan provi- sion (In lakhs)	Revised Plan-cum- Budget provision (In lakhs)
Calcutta . . . .	3440	1184.00
Bombay . . . .	1155	120.22
Delhi . . . .	140	79.90
Madras . . . .	140	53.51
<b>Total</b>	<b>4875</b>	<b>1437.63</b>

4.32. The Project-wise expenditure is detailed below:—

	Budget provision (In lakhs)	Actual Expenditure (In lakhs)
<i>Calcutta</i>		
<i>Survey Investigations</i>		
(i) Final Location Survey of Suburban Dispersal line . . . .	51.16	22.02
(ii) Techno-economic feasibility studies for MRTS . . . .	138.37	77.68
<b>Total . . . .</b>	<b>189.53</b>	<b>99.70</b>
<i>Construction</i>		
Design & construction of Dum-Dum-Tollyganj Rapid Transit Line . . . .	994.47	538.89
<i>Bombay Survey Investigations . . . .</i>	120.22	98.83
<i>Delhi Survey Investigations . . . .</i>	79.90	79.22
<i>Madras Survey Investigations . . . .</i>	53.51	49.40
<b>Grand Total:</b>	<b>1437.63</b>	<b>866.04</b>

4.33. Explaining the reasons for shortfalls, in the attainment of the physical and financial targets, the Ministry have stated as follows:—

#### Calcutta

Rs. 50 crores originally allotted for all cities were reduced to Rs. 20 crores in the mid-term appraisal of the Fourth

Plan as a sum of Rs. 30 crores was surrendered due to dropping of Suburban Dispersal Line in Calcutta.

### *Bombay*

Survey for Feasibility and Economic Studies for a Third Terminal Station in Bombay city for Metropolitan Transport for which Rs. 7 crores for construction had been provided in the Fourth Plan period was completed, but as traffic assignments had not been made by the State Government, the justification for the construction could not be established. Hence the provision for construction could not be used. Corridor Six project was surveyed and reported in 1973 to the Government but its construction in the Fourth Plan period could not be authorised and no fund for construction for Bombay was utilised.

### *Delhi*

The traffic studies made by the Central Road Research Institute (CRRRI) for Delhi was under scrutiny of the Metropolitan Transport Team of the Planning Commission and also detailed secondary traffic data had to be prepared by the Town and Country Planning Organisation for which the studies had to be slowed down.

### *Madras*

Due to the studies made by the State Government for Madras Metropolitan Area being limited in scope, further details had to be awaited and the progress of the studies had to be slowed down.

The reasons for surrenders from the Budget outlays are as follows:—

### *Calcutta*

*Survey Investigations.*—The work was started with the idea that the Suburban Dispersal Line (SDL) would be constructed and only a beginning will be made in the Plan period on the implementation of the Rapid Transit System.

With the dropping of the SDL under the consultants' advice, the expenditure on the Final Location Survey was kept down.

For the Rapid Transit System, the technology of construction was peculiar to Calcutta's soil and ventilation aspect was on tropical climatic background. Due to these and other special problems enough guidance was not available from the consultants for investigation work.

On the above consideration about 50 per cent of the outlay had to be surrendered.

*Construction.*—The first year was required for detailed designing and study tour abroad. Consultancy assistance required during design and construction had not materialised till the end of the last year of the Plan period.

Foreign exchange tie up could not be finalised in the Plan period due to tight free foreign exchange position and USSR Government's pre-occupation with its own commitments elsewhere. Import of materials did not materialise resulting in heavy surrender of funds.

The surrenders are summarised below:

On import & consultancy account	—	18%
On contract work account	—	9%
On Government's economy cut account in 1973-74	—	7%
On stores supply account	—	6%
On miscellaneous account	—	6%
		46%
	Total:	46%

#### *Bombay, Delhi and Madras*

*Survey Investigations.*—Differences from budget outlays are not significant and the surrenders are due to miscellaneous causes.

4.34. The Committee note that as against the original Plan provision of Rs. 48.75 crores and the revised plan-cum-budget provision of Rs. 14.37 crores for Metropolitan Transport projects in the cities of Calcutta, Bombay, Delhi and Madras, the actual expenditure was of the order of Rs. 8.66 crores of which about Rs. 5.39



crores were spent on design and construction of Dum Dum-Tollyganj Rapid Transit line and the rest on survey investigations in these four cities.

4.35. The Committee observe that although the surveys for Third Terminal Station in Bombay city and Corridor Six Project were completed, construction could not be authorised. In Delhi and Madras further detailed data is being collected by the local authorities. In Calcutta while the proposal to have a suburban dispersal line has been dropped, the techno-economic feasibility studies for Mass Rapid Transit system also do not appear to have made much progress because of certain special problems relating to soil and climate.

4.36. In paragraphs 9 and 11 of their Third Report, the Committee have observed:

“The Committee note that the Planning Commission initiated action for preparation of comprehensive integrated plans for suburban traffic etc., for cities with a population of 10 lakhs and more only in the Third Plan. The Committee note that these plans have not yet reached a conclusive stage. Considering the urgency of the problem, the Committee cannot help observing that had Government been alive to the realities of the situation and the pressing problems of the common man, they would have initiated this process of preparation of integrated plans at least at the commencement of the Third Plan so that it provided an appropriate perspective for undertaking short term and long term measures to relieve the problem of transportation which has been responsible for generating a great deal of unrest. The Committee regret to have to point out that even now the integrated perspective plans have not yet been finalised. They cannot too strongly stress the need for early finalisation of these plans and taking of decisions in consultation with the State Authorities, Railways and others concerned about the short term and long term measures which are required to be taken to provide the hard pressed working classes in these large cities with an assured means of transport at a cost which is within their reach.

The Committee note that out of four metropolitan cities of Calcutta, Madras, Bombay and Delhi, a concrete scheme has been finalised so far in respect of Calcutta only. The

schemes for Bombay, Delhi and Madras are at various stages of finalisation. The Committee feel unhappy that these schemes for Mass Transit requirements should not have been finalised before the commencement of the Fifth Plan. The Committee would like Government to take urgent measures in co-ordination and consultation with the State authorities and all others concerned so that the schemes for Rapid Transit System are finalised and appropriate decisions taken without delay for their implementation in the Fifth Plan."

4.37. The Committee would like the Ministry of Railways to inform Parliament at an early date about the steps taken in implementation of the above recommendations.

## CHAPTER V

### PHYSICAL TARGETS AND ACHIEVEMENTS

5.1. The physical targets and achievements of the Railways during the Fourth Plan period are indicated below:—

	Targets	Achievements
New lines (route Kilometres)	1,022	790
Doubling and gauge conversion (Kilometres)	2,183	1,778
Electrification route (Kilometres)	1,200	932
Primary rail renewals (trackkms.)	8,544	5,885
Primary sleeper renewals (track kms.)	10,339	7,004
<i>Acquisition of rolling-stocks:</i>		
Steam Locomotives	124	131
Diesel Locomotives-Main line	575	466
Diesel Locomotives-Shunters	133	131
Electric Locomotives	300	206
Passenger coaches	6,450	6,099
Electric multiple unit coaches	841	486
Wagons (in terms of 4-wheelers)	68,776	57,608

#### A. New Lines

5.2. The Railways' Fourth Plan had envisaged completion of about 1,022 kms. of new lines which were in progress at the beginning of the Guna-Maksi new line on Western Railway and the Mangalore-opened to traffic during the Fourth Plan. Work on 530 kms. of new lines which were initiated in the Fourth Plan is still in progress. The shortfall in the construction of new lines is due to slowing down of the Guna-Maksi new line on Western Railway and the Mangalore-Hassan new line on the Southern Railway. Work on the Guna-Maksi new line (192 kms.) has been slowed down due to poor materialisation of traffic and also due to the 10 per cent cut in the funds during the last year of the Plan. Work on two sections of this line for a length of 131 kms. has been completed. In the case of Mangalore-Hassan project, this work was slowed down to synchronise its completion with the commissioning of the Mangalore Port. There were also problems of critical shortage of permanent way material and structural steel in addition to 10 per cent cut in the funds in 1973-74.

5.3. A statement showing the details of new lines/restorations/conversions (zone-wise) completed and opened to traffic during the Fourth Plan period is given in Appendix IV.

5.4. The Committee observe from the figures given in para 2.3 that the expenditure on new lines in the Fourth Plan was of the order of about Rs. 67 crores against the original Plan provision of Rs. 83 crores and the mid-term provision of Rs. 86 crores. There was a shortfall of 285 kms. against 1,075 kms of new lines proposed to be completed in the Fourth Plan (including 1,022 kms of new lines on which work was in progress at the commencement of the Plan). The shortfall is stated to be due to shortfall in supply of permanent way materials and structural steel, slowing down of some of the works to synchronise with the completion of the projects which they were to serve and due to 10 per cent cut imposed on the funds in 1973-74.

5.5. The Committee observe that 244 kms. of new lines already in progress at the commencement of the Fourth Plan still remained to be completed at the end of the Plan. Since the resources are stated to be limited, it is essential that the plans for new lines under execution are most carefully reviewed with a view to early completion and commissioning of such of the works which are essential from the operational point of view and the resources already committed begin to generate the expected return as early as possible.

#### B. Doubling and Gauge Conversion Schemes

5.6. In the Fourth Plan a programme of converting 1500 kms. of MG lines into BG as proposed to be taken up as part of a long term plan out of which 750 kms. were expected to be completed by the end of the Plan. The main objective was to extend the BG system to areas of intensive economic development and high traffic potential. It is seen from the statement given in Appendix IV that only 326.41 kms. of MG lines were converted and opened to traffic during the Fourth Plan. So far as doubling of track is concerned, the Committee have been informed that during the Fourth Plan 1899 kms. of doubling was programmed. However, 1452 kms. of doubling was completed during the plan period including 605 kms of doubling thrown forward.

5.7. The Committee observe that only 326.41 kms. of MG lines were converted and thrown open to traffic during the Fourth Plan out of a total of 1500 kms. proposed to be taken up and 750 kms. to be completed by the end of the Plan. Similarly, there was a shortfall of 447 kms. in the doubling programme against a target of about 1900 kms. The Committee would like to be informed of the precise reasons for shortfalls in each case and the remedial measures being taken to expedite the completion of the projects.

### C. Electrification

5.8. As far as electrification on Indian Railways is concerned, the following 932 route kms. have been brought under electric traction during the Fourth Plan against the Plan target of 1200 route kms.:-

Northern Railway . . . . .	222	Route Kms.
South-Eastern Rly. . . . .	473	do.
Western Railways . . . . .	237	do.
Total . . . . .	932	

Thus there is a shortfall of 268 route kms. against the 4th Plan target.

5.9. The shortfall is due to non-energisation of the electrification of the following sections:-

Section	Railway	Route Kms.
1. Panskura-Haldia . . . . .	South-Eastern	69
2. Bhestan-Virar (part section of the scheme of the electrification of Virar-Ahmedabad) . . . . .	Western	200

5.10. The above schemes could not be completed for the reasons indicated below:-

**Panskura-Haldia:** The need to slow down the progress of work on the Panskura-Haldia section as there has been some delay in the completion of the Haldia Port Project, for serving which this project was mainly designed. There was also delay in completion of the construction of the General Marshalling Yard and the Bulk Handling Yard by the Haldia Port Authorities.

**Bhestan-Virar:** Delay in completion of arrangements by Maharashtra State Electricity Board for power supply to the two feeding posts at Palghat and Gholvad in Virar-Valsad Section.

Both these projects are now expected to be completed by the end of 1974.\*

\*In reply to USQ 4767 dated the 25th March, 75 it was stated in the Lok Sabha that the section from Panskura to Durgachak was energised in February, 1975 and the balance was expected to be energised by June, 1975.

5.11. The Committee observe that there was a shortfall of 268 kms. in the Fourth Plan programme for electrification of 1200 route kms. and that two sections viz. Panskura-Haldia (69 kms.) and Bhestan-Virar (200 kms.) could not be energised during the Plan period because of delay in completion of the Haldia Port in the former case and delay in completion of arrangements by the Maharashtra State Electricity Board for power supply to the two feeding posts in Virar-Valsad Section of the latter. The Committee note that though both these projects were expected to be completed by the end of 1974, work on a portion of the Panskura-Haldia section is still in progress and the entire section is now expected to be energised only by June, 1975 (the Haldia Port is likely to be commissioned in Sept., 1975). In regard to the Bhestan-Virar portion of Ahmedabad-Virar Section, the Committee would like to refer to the following observations made by the Estimates Committee in paragraph 105 of their 77th Report (Fifth Lok Sabha):—

“As regards the third project viz., Virar-Ahmedabad Section, the delay was partly due to delay in receipt of imported tele-communication cables and accessories and delay in power supply from the Maharashtra State Electricity Board and partly due to the need for taking up flood protection works like raising of tracks. While the Maharashtra State Electricity Board may have their own problems in regard to supply of power for the project, the Committee feel that with proper survey of routes it should have been possible for the ministry of Railways to undertake flood protection works and to avoid delays on this account. Advance planning in regard to imported equipment could also have minimised the delays to a certain extent.”

5.12. The Committee would stress the need for advance detailed planning in the interest of smooth implementation of the electrification schemes. The Committee would like both these schemes to be completed at an early date and pressed into service.

#### D. Track Renewals

5.13. The Committee have been informed that the Fourth Five Year Plan provided for Rs. 180 crores (Net) for track renewal works and the physical targets fixed were as under:

	Kms.
1. Primary Rail Renewals	.. 7070
2. Primary Sleeper Renewals	.. 10080
3. Secondary Rail Renewals	.. 1815
4. Secondary Sleeper Renewals	.. 1800

5.14. The provision made during each year of the Fourth Five Year Plan and the actual expenditure year-wise is indicated below:

(Figures in crores of Rs)

Year	Provision made each year			Actual expenditure each year		
	Gross provision	Credit for released material	Net	Gross provision	Credit for released material	Net
1969-70 . .	47.58	12.02	35.56	44.45	23.27	21.18
1970-71 . .	45.70	12.64	33.06	44.86	18.72	26.14
1971-72 . .	51.21	13.56	37.65	45.56	14.81	30.75
1972-73 . .	63.91	16.31	47.60	56.49	16.15	40.34
1973-74 . .	62.89	17.76	45.13	*58.46	16.50	41.96
TOTAL . .	271.29	72.29	199.00	249.82	89.45	†160.37

5.15. As regards physical progress, the Railways have done 5885 kms. of Primary Rail Renewals, 7000 kms. of Primary Sleeper Renewals, 2043 kms. of Secondary Rail Renewals and 1666 kms. of Secondary sleeper Renewals. There has been a shortfall to the extent of 1185 kms. under Primary Rail Renewals, 3076 kms. under Primary Sleeper Renewals and 134 kms. under Secondary Sleeper Renewals as against the targets fixed for the Fourth Plan. The shortfall has been mainly due to general shortage of steel in the country due to which supply of rails and sleepers has not been satisfactory and track fittings were also in short supply during the first three years of the Plan. Although the supply position of P. Way materials had started improving in 1972-73, the prices of P. Way materials showed an upward trend. In addition, the funds position became tight during 1973-74 due to difficult ways and means position leading to curtailment of funds. Due to these two factors, viz. rising cost of P. Way materials and curtailment of funds, targets in the last year of the Plan had to be curtailed and it was not possible to even partially make up the shortfalls of previous years.

5.16. The supply position of rails, sleepers and fittings had not been satisfactory during the first three years of the Plan mainly due to the general shortage of steel in the country. The matter was taken up at the highest level with the Ministry of Steel and Ministry

Note (i) \*Revised estimates. Actuals not yet available.

(ii) †Savings in net due to more credits for released materials viz. Rs. 17.16 crores.

5.29. The Committee observe that there have been shortfalls to the extent of 1185 kms. under primary rail renewals, 3076 kms. under primary sleeper, renewals and 134 kms. under secondary sleeper renewals as against the targets of 7,070 kms., 10,080 kms. and 1,800 kms. respectively. The main reasons advanced for these shortfalls are general shortage of steel in the country, short supply and rising cost of permanent way materials and curtailment of funds. The Committee understand that the supply of MG rails and BG steel trough sleepers continues to be unsatisfactory due to certain technical problems faced by the steel plants and that the matter has been taken up with the Steel Authority of India Ltd. The Committee also note that a team of Directors/Jt. Directors from RDSO was deputed to the Durgapur Steel Plant to find out the difficulties in regard to manufacture of BG trough sleepers. In both the cases, Railways have now been assured of improved supplies. As the Steel Plants are reported to have enough spare capacity, the Committee see no reason why there should be any difficulty in meeting the Railways requirements in full. The Committee, therefore, suggest that in case there has been no material improvement in the situation even now, a Joint Investigating Team comprising the representatives of the Railways and the Steel Authority of India Ltd., may be deputed to go into the matter in depth. Government should ensure that concerted measures are taken to improve the output to trough sleepers so as to meet the requirements of Railways in full.

#### E. Acquisition of Rolling Stock

##### (a) Locomotives—

5.30. The Ministry of Railways have informed the Committee that against the requirements of 677 diesel locomotives and 300 electric locomotives indicated in the mid-term Appraisal of the IV Plan, production of 685 diesel locomotives and 236 electric locomotives was finally planned. Against this provision, the total procurement of diesel and electric locos during the Fourth Five Year Plan period from Chittaranjan Locomotives Works and Diesel Locomotive Works, Varanasi, was as under:—

Diesel Locomotives	643
Electric Locomotives	.. 232

5.31. The Committee called for a break-up of the number of locomotives (steam, diesel and electric separately) manufactured by Chittaranjan Locomotive Works and Diesel Locomotive Works, Varanasi, during each year of the Fourth Plan vis-a-vis the targets



laid down in this behalf and the reasons for shortfalls. They have been informed that the number of locomotives manufactured by C.L.W. and D.L.W. and the targets laid down during the 4th Plan period were as under:—

(i) Chittaranjan Locomotive Works, Chittaranjan.

Years	Steam		Diesel		Electric (all B.G.)				Total	
	B.G.	M.G.	B.G. shunters	N.G. Main Line	AC/FT	AC/MT	DC	AC/DC		
1969-70 . . .	Tar	32	13	22	..	..	..	..	98	
	Act	32	13	22	..	..	..	..	98	
1970-71 . . .	Tar	5	28	35	5	41	6	3	123	
	Act	5	28	35	5	41	6	3	123	
1971-72 . . .	Tar	..	19	35	5	..	40	6	108	
	Act	..	19	35	5	..	40	6	105	
1972-73 . . .	Tar	..	..	50	..	..	43	14	2	109
	Act	..	..	46	..	..	41	14	..	101
1973-74 . . .	Tar	..	..	50	..	..	36	14	..	110
	Act	..	..	50	..	..	36	14	..	110
GRAND TOTAL .	Target	37	60	192	10	72	125	37	2	535
	Actual	37	60	188	10	72	123	37	..	527

II. Diesel Locomotive Works, Varanasi.

		Broad Gauge	Metre Gauge	Total
1969-70	Target	..	..	80
	Actual	..	..	82
1970-71	Target	..	..	68
	Actual	..	..	68
1971-72	Target	..	..	105
	Actual	..	..	105
1972-73	Target	..	..	110
	Actual	..	..	95
1973-74	Target	..	..	180
	Actual	..	..	95
TOTAL	Target	..	..	483
	Actual	..	..	445

5.32. It will be seen from the above that there was a shortfall of 4 B.G. electric locomotives and 4 B.G. diesel shunting locomotives from C.L.W. and 38 (B.G. and M.G.) diesel-electric locomotives from D.L.W. during the entire 4th plan period. The main reasons for shortfall in production of locomotives both at C.L.W. and D.L.W. during the 4th Plan period are as under:—

**C.L.W.**

- (i) Due to production of several diverse types of locomotives and design modifications in traction motors;
- (ii) Delayed and inadequate receipt of supplies of imported and indigenous equipments;
- (iii) Tardy development of indigenous industry; and
- (iv) Continuing power shortage and disturbed conditions in the Eastern region affecting work in the C.L.W.

**D.L.W.**

- (i) Restricted power supply and frequent power shedding causing dis-jointed shift working;
- (ii) Sporadic incidence of labour unrest in the factory;
- (iii) Non-receipt of adequate and timely supplies of electrical equipment in the initial period (since improved);
- (iv) Restricted availability of foreign exchange and delayed receipt of imported components required for manufacture of diesel locomotives; and
- (v) Tardy development of indigenous sources of supplies.

5.33. The Committee observe that as against the revised target of 535 locomotives programmed for manufacture in the Chittaranjan Locomotive Works during the Fourth Plan period, the actual number of locomotives manufactured was 527. The Diesel Locomotive Works, Varanasi, manufactured 445 locomotives against the revised target of 483. Thus, there was a shortfall of 46 locomotives, 42 diesel and 4 electric. The shortfall in manufacture in the Diesel Locomotive Works, Varanasi is stated to be due to restricted power supply, sporadic incidence of labour unrest, non-receipt of adequate and timely supply of electrical equipments in the initial period, restricted availability of foreign exchange, delayed receipt of imported components and tardy development of indigenous sources of supply.

5.34. The Committee note that production has suffered both at Chittaranjan and Varanasi because of inadequate supply of components from indigenous sources. The Committee suggest that this matter should be studied in depth to resolve the difficulties. They consider that the Railways also have a significant role to play in the development of ancillaries. They feel that if systematic action had been taken to develop the ancillary industries right from the time these production units were set up, the difficulties would have been resolved by now. The Committee would also urge that the matter should be taken up with the Ministry of Industry and Civil Supplies so that necessary steps could be devised to develop indigenous sources of supply for meeting the Railways' requirements during the Fifth Plan on an assured basis.

(b) *Wagons*

5.35. The Committee enquired about the methodology followed for determining the requirements of wagons during the Fourth Plan and whether the Ministry of Railways had undertaken a review of the position in this regard in the light of actual experience. The Ministry have, in a note on the subject, stated that wagon requirements are assessed for the Five Year Plan period as a whole taking into account the anticipated growth of traffic gauge-wise during the Plan period. Different streams of traffic, the lead of each stream as well as the extent of empty haulage incidental to that stream are first estimated and then the number of wagons required are calculated assuming certain normal speeds, detention to wagons in the marshalling yards *en route* as well as at terminals. After thus calculating the wagon requirements, an allowance is made for traffic during the peak period as well as for repair and maintenance of wagons. Holding of wagons is then subtracted from the gross requirements thus worked out to obtain the number of wagons to be procured during the Plan period.

5.36. When the original Fourth Plan was formulated, traffic in the last year of the Plan was expected to be 265 million tonnes. For this level of traffic the assessment of requirements of wagons was 1,01,532 wagons (in terms of 4-wheelers) both on additional as well as replacement account. Since the actual materialisation was not as expected, at the time of mid-term appraisal, it was assessed that traffic materialisation by the end of the Plan would be 240.5 million tonnes. The wagon requirements were accordingly reduced to 68,776. Due to paucity of funds, the actual provision was, however, made only for 235 million tonnes of originating traffic at an average lead of 630 kms. which in terms of net tonne kms. corresponds to 148 billion NTKMs.

5.37. As the figures given in para 2.34 indicate, the actual growth pattern proceeded on the lines anticipated right upto the fourth year of the Plan and but for serious dislocations to rail operations during 1973-74, the target would have been nearly achieved. The serious deterioration in the industrial relations in 1973-74 on the Railway is well known. Commencing from the loco strike in August, 1973 which had practically paralysed the rail transport system as a whole, there was hardly any day when the rail operations were not affected by sit down/tool down/go slow agitations by some category of the staff in some or the other part of the country. The situation continued to deteriorate so much so that ultimately, as is well known, there was the all-India Railway strike in May, 1974, the after-effects of which are still being felt by the Railways and it will be some more time before the Railway operations return to normal. But for these adverse features, the Railways planning of assets during the Fourth Five Year Plan would have been just sufficient to meet the actual requirements of traffic. It is, therefore, clear that the methodology adopted by the Railways for calculating their wagon requirements in the Fourth Plan was quite sound and did not require any change.

5.38. The Committee further enquired about the target for procurement of wagons (type-wise and gauge-wise) and the actual number of wagons placed on line. The Ministry of Railways have replied that no target of type-wise procurement of wagons is fixed, as such procurement is arranged on yearly basis, depending upon the development of traffic. The gauge-wise break-up is given below:—

	(No. of Wagons in terms of 4-wheelers)
B. G.	54,838
M. G.	11,576
N.G.	2,362
TOTAL	68,776

5.39. The actual number of wagons placed on line (year-wise) during the Fourth Plan period was as under:—

Year	No. of wagons placed on line (4-wheelers)
1969-70	15,629
1970-71	11,541
1971-72	9,209
1972-73	10,181
1973-74	12,226

5.40. Out of the above, 23,989 wagons were on replacement account.

The Committee enquired what the installed capacity in the private sector for manufacture of wagons was and to what extent it was utilised during the Fourth Five Year Plan period. The Ministry of Railways have stated that the total annual installed capacity of the 16 units in the industry licensed for manufacture of wagons is 33,869 (in terms of 4-wheeler units) as per information received from the then Ministry of Industrial Development. Out of these 16 units, M/s. Mckenzie's/Bombay, Raymon Engineering/Calcutta and Singh Engineering/Kanpur with a total annual installed capacity of 3,244 four-wheeler units, have closed down during the Fourth Plan period and there is no possibility of their revival. The net annual installed capacity of the remaining 13 units therefore, is 30,625 wagons in terms of four-wheelers.

5.41. The average actual production during the Fourth Plan period has been 9,355 wagons (in terms of four-wheeler per year i.e. 46,775 in all). Compared to the total installed capacity of the 16 units namely 33,869, this works out to 27 per cent. The reasons for less utilisation of capacity during the Fourth Plan period are briefly the following:—

- (i) Due to overall recession in the entire economy of the country, there was recession in the Engineering industry upto about 1971-72. During this period some of the units closed down due to their poor financial circumstances, mismanagement and various other factors. Most of these units have recently been taken over by Government.
- (ii) The industrial climate and the law and order position was not satisfactory particularly in the Eastern region where most of the wagon building units are located. The position has improved during the later period of the Fourth Plan.
- (iii) Indigenous availability of steel was also not satisfactory during the earlier part of the Fourth Plan.

5.42. In reply to a question about the number of wagons manufactured by the Railway Workshops during the Fourth Five Year Plan (year-wise) *vis-a-vis* the targets laid down in this behalf, the

Ministry of Railways have furnished the following statement:—

(Figures in terms of 4-wheelers)

Gauge	1969-70	1970-71	1971-72	1972-73	1973-74
Broad Gauge	2,017	1,476.5	1,130	1,275	1,509
Metre Gauge	892	648	839	536	280
Narrow Gauge	8	36	20	36	130
Total	2,917	2,160.5	1,989	1,847	1,919
Targets	3,200	2,817	1,840	1,610	2,000
Shortfall	283	656.5	..	..	81

5.43. The Ministry have explained that the shortfall during 1969-70 and also in 1970-71 was due to multiplicity of types of wagons. The production during 1971-72 and 1972-73 was in excess of the targets. The shortfall in 1973-74 was negligible.

5.44. In reply to a question why it has not been possible to maintain the level of production of 2,917 wagons in the Railway Workshops after 1969-70, the Ministry of Railways have stated that in 1969-70 there were 11 workshops manufacturing wagons. The activity has been reduced to three workshops *viz.* Amritsar, Golden Rock and Samastipur. With the reduction in the number of workshops the revised target for manufacture of wagons has been fixed at 2,000 wagons annually. The tapering down was done for taking up repair and maintenance activity.

5.45. In reply to a further question, the Ministry have stated that no expenditure was incurred for expansion to manufacture wagons as the activity basically utilised existing facilities and manpower in Railway Workshops.

5.46. The expenditure during the Fourth Plan for expansion/modernisation of workshops to augment repair and maintenance capacity was Rs. 3.43 crores. This amount only helped in tackling the wagons with heavier work content, but was not sufficient to control the position of overdue POH wagons.

5.47. Asked about the net accretion to the freight carrying capacity of the Railways due to increase in the wagon holding during the Fourth Plan and how it compared with the position obtaining at the

end of the Third Plan, the Ministry have replied that a study regarding the transport capacity available with the Railways in respect of rolling stock for lifting freight traffic is currently in progress. *Prima facie*, it appears that the conclusion likely to emerge from this study is that with the rolling stock available as at the end of the Fourth Five Year Plan, about 215 million tonnes of freight traffic at an average lead of 678 kms. can be lifted by the Railways.

5.48. The Committee observe that the Railways' target of procurement of 1,01,532 wagons (in terms of 4-wheelers) in the Fourth Plan, both on additional and replacement account, was lowered to 68,776 wagons at the time of Mid-Term Appraisal when the target of originating traffic itself was reduced from 265 to 240.5 million tonnes. The actual procurement, however, was 58,786 wagons i.e. about 10,000 wagons short of the revised target.

5.49. The Committee note that the Ministry of Railways have recently undertaken a study regarding the transport capacity available with them in respect of rolling stock for lifting freight traffic and that "prima facie it appears that with the rolling stock, available as at the end of the Fourth Plan, about 215 million tonnes of freight traffic at an average lead of 678 kms. can be lifted by the Railways."

5.50. In this connection, the Committee would like to recall the following observations made by the Public Accounts Committee in Para 1.37 of their 47th Report (Fifth Lok Sabha):—

"The Railways' calculations make no objective effort to establish the capacity of the wagon fleet to carry traffic. The Committee would like to emphasise that realistic norms on the basis of best performance obtained by the Railways themselves should be fixed so that the surplus already held and the future wagon procurement could be suitably adjusted to meet future requirements."

5.51. The Committee trust that the Ministry of Railways would keep in view these observations of the Public Accounts Committee while carrying out the above-mentioned study. They would like to be informed early about the methodology followed in this study, the findings and the action taken in pursuance thereof.

#### (C) Coaches

5.52. The Ministry of Railways have informed the Committee that out of 6,450 coaches (other than EMUs) required during the

Fourth Plan, 3,250 were on additional account and the remaining 3,200 on replacement account. The targets and actual achievement (gauge-wise), are as under:—

	Targets	Actual	Shortfall
B. G. . . . .	4,125	3,949	176
M.G. . . . .	2,125	2,125	NIL
N.G. . . . .	200	35	165
Total . . . . .	6,450	6,109	341
EMUs. . . . .	841	489	352
M.G. Rail cars . . . . .	..	8	..
Coaches for Export . . . . .	..	119	..
G. TOTAL . . . . .	7,291	6,725	566

5.53. The Committee enquired about the number of coaches (gauge-wise) manufactured by the Railways Workshops and Production Units separately during the Fourth Plan (year-wise) vis-a-vis the targets and reasons for short-falls, in such case. The Ministry have accordingly furnished the following statement:—



Production Unit and type of stock	1969-70		1970-71		1971-72		1972-73		1973-74		Total	
	T.	P.	T.	P.	T.	P.	T.	P.	T.	P.	T.	P.
<i>Railway W/Shops</i>		124		79		99		73		86		441
B.G.		97		78		77		66		29		347
M.G.		3		5		5		9		13		35
N.G.												
TOTAL	247	224	159	162	150	181	150	148	150	108	836	823
<i>Integral Coach Factory</i>				306		271		532		642		2121
B.G.		370		268		211		103				802
M.G.		220		37		40		70		102		343
B.G. EMU		74										8
B.G. EMU				4								119
M.G. Roll Car						113				6		
Export												
TOTAL	668	668	635	635	669	635	700	705	750	750	3422	3393
<i>M/s. Bharat Earth Movers Ltd.</i>												
B.G.	270	270	270	270	270	273	270	275	280	299	360	1387
<i>M/s. Jessops &amp; Co., Calcutta.</i>												
M. G.	273	274	350	190	300	158	300	227	200	127	1443	976
B. G. D. C. EMU	75	60	62	36	17	26	36	..	24	24	214	146
TOTAL	348	334	412	226	317	184	336	227	224	151	1657	1122
GRAND TOTAL	1533	1496	1476	1293	1406	1273	1456	1355	1424	1308	7295	6725

T=Target (in the case of Jessops the figures relate to anticipated production)

P=No. Produced.

It will be seen from the above that there is no shortfall in respect of M/s. Bharat Earth Movers Ltd. In the case of M/s. Jessops the targetted shortfall is due to the following reasons :-

- (i) Pre-occupation with Polish Export order of wagons.
- (ii) Power shedding.
- (iii) Labour unrest.
- (iv) Due to not coming to an agreement on prices of DC/EMU coaches, resulting in stoppage of production of EMUs during January, 1972 to November, 1973.

5.54. There is a shortfall of only 29 coaches during the IV Plan Period in the production of ICF which is marginal.

5.55. The Railway Workshops are the manufacturing units of Railway Coaches. They are mainly concerned with the POH of coaches and only the residual capacity left over from POH is utilised for construction of miscellaneous type of conventional coaching stock required in small numbers. No specific target has been laid down in so far as Railway Workshops are concerned.

5.56. In para 8 of their Second Report, the Railway Convention Committee had observed:—

“The Committee regret to note that while the ICF were able to exceed the production targets during 1972-73 and 1973-74, there was a heavy shortfall of as many as 75 DC| EMUs against the planned production of 96 units by M|s. Jessops during the last two years of the Fourth Plan. The production was actually nil during 1972-73 due to disagreement on the prices. The Committee consider that Government should have resolved this matter much earlier instead of allowing production to suffer. Now that this matter has been settled, they would like Government to ensure that the present target of production of 6/9 coaches per month is kept up by M/s. Jessops and that every effort is made to clear the backlog in the manufacturing programme.”

5.57. In reply it has been stated that the production of EMU coaches during 1972-73 by M|s. Jessops fell short of planned production due to dis-agreement on prices. The prices were finalised and the formal contract was placed for 216 Nos. EMU coaches (Board's contract No. 72|RS (WTA)|142|Jessop|EMU dated 23-12-1972) in December, 1972. The production commenced from December, 1972 and between December, 1973 and October, 1974, they have delivered 63 coaches i.e. approximately 6 coaches per month which is the lower level of the delivery rate (6/9 per month) agreed by the firm.

5.58. The administrative control of M|s. Jessop & Co. is with the Ministry of Industry and Supply who are being urged to prevail upon M|s. Jessops to further step up the supplies to 9 per month so as to clear the backlog in the shortest possible time.

5.59. The Committee observe that there was a shortfall of 176 B.G. coaches and 165 N.G. coaches against the Fourth Plan targets of 4,125

and 200 respectively. As the Bharat Earth Movers exceeded their target of B.G. coaches, the shortfall appears to have occurred in the Integral Coach Factory where capacity was diverted to the extent of 119 coaches for meeting the export order and also to offset the shortfall in supply of M.G. coaches by M/s. Jessops. The net shortfall in ICF was a marginal one, being 29 only against an overall target of 3,422 coaches.

5.60. The Committee note that inability of M/s. Jessops to fulfil their target of 1,443 M.G. coaches by as many as 467 coaches was due to labour unrest, power shedding, pre-occupation with export order of wagons and due to disagreement on prices of DC/EMU coaches resulting in stoppage of production for about 1 year and 10 months from January, 1972 to November, 1973. The Committee have already drawn attention to the loss of production in Jessops on account of delay in settlement of prices in para 8 of their Second Report and have impressed on Government the need to ensure that the present target of 6/9 coaches per month is kept up by M/s. Jessops and that every effort is made to clear the back-log in the manufacturing programme. The Committee observe from the latest reply furnished by Government that between December, 1973 and October, 1974 M/s. Jessops have delivered 63 coaches only i.e. at the lower level of the delivery rate agreed to by the firm. As M/s. Jessops are now in the public sector, the Committee would like the Ministry of Industry and Civil Supplies to ensure that the firm achieves the targeted capacity and is able to deliver at least upto 9 coaches per month, as per the agreed programme.

5.61. The Committee would like the Ministry of Railway to accord high priority to construction of second class coaches, particularly sleeper coaches, in their future programme of procurement of coaching stock and also to intensify research on improvement of the payload of such stock. The Committee would also urge that efforts should continue to be made to improve amenities in the second class coaches particularly on long distance trains.

5.62. In regard to the shortfall of as much as 165 out of 200 N.G. coaches programmed for the Fourth Plan, the Committee have observed in para 9 of their Fifth Report as follows:—

“The Committee regret that it should have taken about two years for the Ministry to take a decision on the question of manufacture of N.G. coaches in the light of the Report of the Uneconomic Branch Lines Committee which was submitted to Government in December, 1969. The Committee desire that at least for the Fifth Plan, the requirements

for each of the gauges, particularly the narrow gauge, should be thoroughly gone into and fixed realistically, year-wise, having regard to the present trend and the prospective plans of the Railways.

5.63. The Committee would like to reiterate the above recommendation and urge that action taken in pursuance thereof may be intimated to them at the earliest.

#### D. Replacement of Overage Stock

5.64. The No. of overage stock as on 31-3-1969 was as follows:—

Locomotives . . . . .	2,058
Wagons . . . . .	32,853
Coaches . . . . .	7,236

5.65. In his Memorandum to the Committee, the Financial Commissioner for Railways has stated:—

“During the Fourth Plan period, on the basis of funds available, it is expected that (a) 419 Main Line Diesel Locomotives, 23 Diesel Shunters, 45 Electric Locomotives and 124 Steam Locomotives will be placed in service on replacement account leaving 844 locomotives on Broad Gauge, 473 on the Metre Gauge and 227 on the Narrow Gauge (all in steam equivalents) to be continued in service overage; (b) 3200 bogie passenger vehicles will be replaced leaving 2974\* bogie coaches of all gauges in service, beyond their normal life; and (c) 35,828 wagons (in terms of 4-wheelers) will be replaced as under:—

Broad Gauge . . . . .	25,450
Metre Gauge . . . . .	7,816
Narrow Gauge . . . . .	2,362
TOTAL . . . . .	35,628

\*Does not include about 2000 overage replaced unauthorised stock retained in service on condition basis.

By the end of the Fourth Five Year Plan, all wagons which have outlived their normal life of 40 years on Broad gauge, 45 years (i.e. 5 years more than the normal life) on metre gauge and 50 years (i.e. 10 years more than the normal life) on Narrow gauge would be replaced."

5.66. A statement showing the number of overage Rolling Stock on line and its percentage to total stock at the commencement as well as at the end of the 4th Plan (anticipated) is shown in Appendix VI. The year-wise targets and actual replacement of Locomotives, Coaching stock and wagons during the Fourth Plan are given in Appendices VII, VIII and IX respectively.

5.67. It will be seen from Appendix VI that the percentage of overage stock as at the commencement of the Fourth Plan and at its conclusion was as follows:—

	BG		MG		NG	
	A	B	A	B	A.	B.
Locomotives .	17.21	11.45	15.21	10.41	49.53	57.1
Coaches .	20.78	11.99	19.80	12.52	53.79	53.69
Wagons . . .	5.62	4.11	13.95	11.35	60.84	63.88

(NOTE:—A denotes the position as on 31-3-69  
B denotes the position as on 31-3-74)

5.68. The statements given in Appendices VII—IX show that the targets and actual achievements in regard to replacement of overage stock during the Fourth Plan were as under:—

		Target	Actual	Excess of Shortfall	Remarks
		1	2	3	4
(A) Locomotives	BG	37	42	↑5	
(a) Steam . .	MG	87	104	↑17	
	NG	..	..	..	
(b) Diesel . .	BG	302*	302	Nil	*To replace 714 Steam Locos.
	MG	110**	68	—42	**To replace 275 Steam locos.
	NG	30†	10	—20	†To replace 60 Steam locos.
(c) Electric . .	BG	53	32	—21	
	MG	..	..	..	
	NG	..	..	..	
Grand Total		619	558	—61	

1		2		3		4	
(B) Coaches	BG	1500	1018	—482			
	MG	1500	1038	—462			
	NG	200	29	—17			
Grand Total		3200	2085	—1115			
(C) Wagons	BG	21,344	16,809	—4535			
	MG	7,816	7,181	—635			
	NG	758	46	—712			
		**29,918	24,036	—5882		**The original target revised to 29,918 wagons only in August 1974.	

5.69. Explaining the reasons for shortfall, the Ministry have stated as follows:

#### *Locomotives*

(i) On Broad Gauge, 5 steam locomotives were placed on line in excess of IV Plan target, due to throw forward from III Plan. However, there was a shortfall of 21 Broad gauge Electrical Locomotives. This was mainly due to shortage in supply of matched equipment sets by Heavy Electricals (India) Ltd. Bhopal.

(ii) On Metre gauge, 17 Steam Locos were placed on line in excess of IV Plan target, due to throw forward from III Plan. However, there was a shortfall of 42 Diesel Locomotives, only due to shortage in supply of matched sets by Heavy Electricals (India) Limited, Bhopal.

(iii) On Narrow Gauge the shortfall of 20 Locomotives was on account of non-availability of the detailed design of low-horse power diesel locomotives. A firm decision to manufacture these is under review in the light of the oil crisis.

5.70. In reply to a question to what extent this shortfall had affected the operational efficiency of the Railways and what steps had been taken to ensure regular supply of the matched equipment for these locos, the Ministry have stated that the reduced availability of locomotives on replacement account necessitated continued utilisation of existing locomotives due to be withdrawn from service. There was, however, little effect on traffic because the level of traffic actually carried was also lower than anticipation.

5.71. Regular coordination meetings are held with B.H.E.L. and Railways to ensure timely supplies and approximately 11 meetings

have been held in the last two years. B.H.E.L's performance has improved considerably in the immediate past.

### *Coaches*

(i) The shortfall of 482 Broad gauge and 462 metre gauge coaches on replacement account during the IV Plan period is due to:

(a) Production of BG/MG coaches against outstanding orders on additional account programmed in Rolling Stock Programme prior to 1969-70.

(b) Diversion of part of Integral Coach Factory capacity to the extent of 119 Broad Gauge coaches for meeting export orders.

(ii) On Narrow Gauge the shortfall was 171 coaches, the reason being that with due regard to the recommendations of Uneconomic Branch Line Committee and the proposed gauge conversion etc. the question whether replacement of Narrow Gauge coaches should be arranged or not was under consideration. The final orders to undertake manufacture of 200 Narrow Gauge coaches during Fourth Plan could thus be issued on 26th October, 1971. Taking the lead time for material schedule being drawn up and procurement of the items, it could not be possible to build the required number of coaches during the Fourth Plan period. The planning is to get the remaining coaches completed in the Fifth Plan period.

### *Wagons*

(i) Recession in the engineering industry;

(ii) Labour troubles particularly in the Eastern region.

(iii) Some of the Wagon Production Units were closed down/sick on their internal account.

5.72. It is significant that against the earlier target of 25340, the actual production was 24,036 i.e. a shortfall of 1,304. The revision in target was made only in August, 74 and as such could not make a significant impact in enhanced production.

5.73. In reply to a question about the outlay and actual expenditure on replacement of rolling stock, the Ministry of Railways have stated that during the Fourth Five Year Plan (1969—1974), Rs. 274.01 crores were provided in the Railway Budget for replacement of Rolling stock. The actual expenditure incurred on this account during

the first four years of the Fourth Plan (1969—1973) was Rs. 201.21 crores. Firm figures of actual expenditure for the year 1973-74 are at present not available.

5.74. The Committee note that there was a shortfall of 62 diesel (42 MG and 20 NG) and 21 electric (BG) locos against the programme of replacement of 140 diesel (110 MG and 30 NG) and 53 electric (BG) locos during the Fourth Plan. The shortfall in the case of BG/MG diesel/electric locos is stated to be due to shortage in supply of matched sets by HEIL, Bhopal, while on the NG, the shortfall was on account of non-availability of the detailed designs of low-horse power diesel locomotives. As the position in regard to supply of electrical equipment from HEIL, Bhopal has now improved, the Committee would like the Ministry of Railways to ensure that the shortfall is made good as quickly as possible.

5.75. So far as NG diesel locomotives are concerned, the Committee would urge that in view of the oil crisis, a decision on the question of manufacture of such locomotives may be expedited. In case it is decided not to take up the manufacture of such locomotives the question of replacing the existing overage steam locomotives by resuming manufacture of improved type of locomotives should be accorded due priority.

5.76. So far as coaches are concerned, the Committee regret to note that there was a huge shortfall of 1,115 coaches against the Plan programme of replacement of 3,200 coaches. The shortfall was 482 on BG, 462 on MG and 171 on NG against the targets of 1,500 each on BG and MG and 200 on NG. Replacement of old BG/MG coaches is stated to have suffered due to the capacity having been utilised to meet the outstanding orders for production on additional account placed prior to 1969-70 and diversion of capacity in the Integral Coach Factory to the extent of 119 BG coaches for meeting export orders. The Committee would like the Ministry of Railways to fix a target date for replacement of overage BG/MG coaching stock and to gear up the production capacity accordingly so as to ensure its achievement according to schedule.

5.77. The Committee further regret to observe that the final order to undertake manufacture of 200 NG coaches was issued as late as in October, 1971 and that only 29 coaches could be replaced during the Fourth Plan period. The Committee trust that all overage coaching stock on the NG would be replaced by the end of the Fifth Plan, as per the revised programme.



5.78. So far as wagons are concerned, the Committee observe that the original programme of replacement of 35,628 wagons (in terms of 4-wheelers) was reduced to 25,340 wagons but raised again to 29,918 in August, 1974 for reasons not explained to them. The actual number of wagons placed on line on replacement account fell short of the revised target of August, 1974 by 5,882 and by as much as 11,592 wagons vis-a-vis, the original target. The Committee would like the Ministry of Railways to ensure that all wagons which have outlived their normal life are replaced by the end of the Fifth Plan.

5.79. As the percentage of overage wagon stock on the narrow gauge has actually gone up from 60.84 as on 31st March, 1969 to 63.88 as on 31st March, 1974, the Committee would like the Ministry of Railways to pay greater attention to the replacement of such wagons during the Fifth Plan so that the percentage of overage wagon stock on the narrow gauge is at least brought on par with the position obtaining on the other two gauges. The Committee stress that in retaining the overage stock in operation the safety of the travelling public should under no circumstances be overlooked.

#### F. Overdue Periodic Overhaul

5.80. The Committee called for data regarding locomotives, coaches and wagons overdue for periodic overhaul at the commencement and conclusion of the Fourth Five Year Plan, together with reasons for the continuing backlog, if any, and the steps proposed to be taken to overtake the arrears. The Ministry have accordingly furnished a statement showing the no. of rolling stock overdue for periodic overhaul at the commencement and conclusion of the Fourth Five Year Plan. The same is reproduced in Appendix X. Explaining the reasons for the continuing backlog, the Ministry have stated as follows:

##### (i) *Steam Locomotives*:—

5.81. The overdue POH position of steam locomotives has shown a slight increase. There were 2.29 per cent of steam locomotives overdue for POH at the end of the Fourth Five Year Plan. The marginal increase in overdue percentage is attributable to the staff agitation during 1973-74. An intensive drive has been launched to bring about improvement by starting the manufacture of spare components for steam locos at CLW so as to make adequate availability of spares to the Railways.

5.32. It is also mentioned that steam locomotives have now to be kept in service far beyond their normal life. No new steam locomotives are being built and the existing fleet of steam locomotives is ageing but they have to be kept in service owing to the oil crisis. This is throwing considerable strain on the maintenance organisation for steam locomotives.

(ii) *Diesel Locomotives.*

5.83. There were 6.67 per cent of diesel locomotives overdue for POH at the end of the Fourth Five Year Plan. This is attributable to delayed supplies of imported components. The foreign suppliers are finding it increasingly difficult to obtain castings and forgings due to restrictions imposed in those countries to avoid pollution. However, special efforts were made and an officer was deputed to contact the supplying firms for expediting the supplies of these components and the supply of these vital components has now started coming in and the ineffective percentage is likely to show further improvement. There have also been serious staff agitations during 1973-74 which have affected the maintenance and availability.

(iii) *Electric Locomotives.*

5.84. There were 9.7 per cent of electric locomotives overdue for POH at the end of Fourth Plan. Additional facilities for undertaking POH of electric locomotives are being proposed at Kharagpur Workshop of South Eastern Railway and a new shed is currently under erection at Bhusaval on Central Railway. This is in addition to the capacity set up at Kanchnrapara for handling POH locos.

*Coaches:*

5.85. The overdue POH position of coaching stock has improved at the end of Fourth Plan as compared to the position at the beginning of Fourth Plan.

5.86. The position is still not up to the mark, because a number of coaches have been affected by heavy corrosion. Since coaches affected with corrosion involve heavy repairs, additional capacity is being developed to deal with this serious problem. In addition to the repairs and special treatment to steel panels, the Research & Development Organisation at Lucknow is also investigating what effective measures are necessary to combat corrosion. To deal with the present situation, the outturn of corrosion affected coaches is being stepped up in the workshop to the maximum extent possible pending provision of additional facilities. Those Railways where

some repair capacity is available, are being asked to assist other Zonal Railways where the workload in this category is heavy.

5.87. Asked about the total holding of such stock in service and the steps being taken to recondition the damaged coaches so as to improve their life expectancy, the Ministry have replied that the exact number of steel bodied coaches in service is not available and can be ascertained only after obtaining information from the Zonal Railways. However, on the basis of the coaches manufactured by Integral Coach Factory, Bharat Earth Movers Limited and Jessop, since inception of these units, the number of steel bodied coaches on the Railways may be taken as 20,000 approximately.

5.88. Detailed instructions for inspection and repair of Integral Coach Factory coaches for corrosion, in Railway Workshops and sicklines have been issued to the Zonal Railways. Instructions have also been issued to the use of corten steel on coach construction to avoid corrosion and maintenance problems.

5.89. The problems of corrosion in Integral Coach Factory and Bharat Earth Movers Limited coaches have been examined in detail by the committee of Integral Coach Factory and R.D.S.O. Officers in January, 1974. A summary of the various steps taken so far is given below:—

1. *Standardisation of Layouts.*

5.90. Central lavatories are being eliminated in the modified layouts of the Broad gauge and metre gauge coaches.

2. *Adoption of high strength low alloy steel of corten type for coach building.*

5.91. R.D.S.O. have been following up the indigenous development of the corten type steel. The regular indigenous production may take some time. Therefore, for the present, corten type steel required for coach building purpose has to be imported.

3. *Design of new underframe for Integral Coach Factory Coaches.*

5.92. Action is being taken to develop a new type of underframe to avoid heavy corrosion.

**4. Strengthening of sole bars on Integral Coach Factory design coaches.**

5.93. The study indicates that the sole bars at the door-way of the coach required to be strengthened. Accordingly proposals for strengthening the sole bars of Integral Coach Factory coaches are under consideration.

**5. Window sealing arrangements**

5.94. Window sealing arrangements are being incorporated both for Broad Gauge and Metre Gauge coaches. A design has also been developed for window sealing on existing coaches.

**6. Standardisation of Broad Gauge Tubular Frame below lavatories**

5.95. Proposals for standardisation of tubular framing below the lavatories of Broad Gauge Coaches are under consideration.

**7. Other corrosion preventive measures.**

5.96. To avoid the possibility of moisture or other contaminant getting into the sole bar turn under pocket below the lavatories and at the door corner of Broad Gauge coaches, it has been found essential to provide a positive sealing arrangement. Suitable modifications are being implemented at Integral Coach Factory in consultation with R.D.S.O.

5.97. Draft instructions for corrosion repairs of Bharat Earth Movers Limited coaches have been made out by R.D.S.O. and will be issued to the Railways after the studies are completed.

5.98. In the light of experience, instructions already issued to the Railways are being up-dated.

5.99. Painting instructions have been compiled and are to be issued shortly.

5.100. Instructions have been issued that the officers of Southern Railway dealing with corrosion repair of coaches and the officers of Design Wing of Integral Coach Factory should hold periodical meetings with a view to bringing into focus the improvements, methods of repairs etc. to minimise corrosion.

**Wagons:**

5.101. The position of overdue POH of wagon stock at the end of the Fourth Plan is not satisfactory. The high over-due percentage has generally been due to number of wagons not being given periodical overhaul to meet traffic demands for goods stock. Moreover, with the increase in the work content of wagons, existing POH capacity has been inadequate to meet the repair arisings. Notwithstanding these handicaps|shortcomings, acute shortage of elec-

tric power and industrial gases all over the Indian Railways together with labour unrest, particularly in the Eastern region, has generally seriously affected the maintenance of rolling stock. As far as electric supply is concerned, standby power generating sets are being processed for manufacture/procurement for important workshops to supplement the present supplies.

5.102. A massive drive has been initiated to expedite repairs to wagons by assistance being rendered temporarily by Engineering Workshops and increasing the repair outturn both from Mechanical Workshops and sicklines. Action has also been taken to maximise utilisation by pinpointing such stock that can be pressed into a close circuit movement with minimum repairs till such time they can be taken into shops for periodical overhaul.

5.103. As a long term solution, expansion of five wagonships undertaking POH is in hand on a new wagon POH Complex at Vijaywada is presently under construction. These additions will enable normalization of the overdue position.

5.104. In a further note on the subject, the Ministry of Railways have stated that the capacity for POH of goods stock is inadequate to meet arisings. This is basically because the additions to wagon fleet during the 3rd and 4th Plan periods were heavy and repair capacity was not built up proportionately. Remedial action has now been taken by augmenting staff and facilities in nominated workshops.

5.105. The Committee are constrained to observe that the position in regard to periodic overhaul of all types of rolling stock continues to be unsatisfactory. So far as steam locomotives are concerned, the Committee do not see any reason why the position regarding overdue periodic overhaul should have deteriorated when the Railways had all along the requisite facilities therefor. The Committee would like the Ministry of Railways to see that the upkeep of such locos is improved and they are put to optimum use.

5.106. The Committee regret to note that the percentage of ineffective diesel locos is as high as 6.67. As these are very costly assets, the need for their proper maintenance cannot be over-emphasised. The Committee desire that the position should be analysed in detail and prompt remedial measures taken to ensure that the diesel and electric locos are put to optimum use.

5.107. The Committee view with grave concern that approximately 20,000 steel bodied coaches have been affected by heavy corrosion which involves very heavy and costly repairs. The Committee consider that the reasons therefor should have been investigated much

earlier. The Committee would now like a time-bound programme to be formulated for repairing the damaged stock. The Committee stress that the design of coaches should be effectively improved in the light of experience gained and the advance in technology to eliminate chances of corrosion and to save on maintenance cost.

5.108. The Committee further regret to observe that the percentage of wagons overdue for POH to total stock on line as on 31-3-74 was as high as 25.27 on BG, 12.94 on MG and 8.51 on NG. This is stated to be due to the fact that repair capacity was not built up to keep pace with the heavy additions to the wagon holdings during the Third and Fourth Five Year Plans and also due to the increased work content on wagons which have lately been subjected to large scale vandalism particularly in the Eastern Region. The Committee note that remedial action to augment that repair facilities is now in hand. They trust that expeditious steps would be taken by the Ministry to reorganise and rationalise the repair facilities on various zonal Railways with a view to maximising output. The Committee would like Parliament to be informed of the progress made in this direction through the Annual Reports of the Railways Board/Zonal Railways.

## CHAPTER VI

### FIFTH PLAN OUTLAY AND TARGETS

#### A. Traffic Anticipations

6.1. The Committee enquired about the anticipations with regard to growth of freight and passenger traffic in the Fifth Plan and the basis thereof. The Ministry of Railways have, in a note on the subject, stated that so far as the fixation of the freight traffic target during the Fifth Five Year Plan is concerned, it has to be appreciated that the Railway Planning has to be a part of the planning for the economy of the country as a whole. Railway planning is essentially derivative planning and is dependent upon the projections of growth in different sectors of the economy. While fixing the target for the freight traffic, Railways have necessarily to be guided by the production targets furnished by the user economic Ministries and the Planning Commission. As in the past, two inter-ministerial groups were set up by the Railway Board to work out the projections of freight and passengers traffic during the Fifth Plan. The Working Group on Freight Traffic had projected a total of 335 million tonnes of originating traffic by the end of the Fifth Plan. The major increase was in respect of steel plants traffic (including raw materials), coal, iron ore for export, cement, POL products and fertilisers. This would have meant an increase of about 135 million tonnes over the anticipated traffic of about 200 million tonnes that was expected by the end of the Fourth Plan or an increase of over 50 per cent in the Fifth Plan itself.

6.2. Considering that the maximum increase in any Plan period had been only about 47 million tonnes (Third Plan) and the fact that in all the Plans so far there was considerable shortfall in the anticipations of traffic given by various Ministries the Railways considered the anticipated forecast of freight traffic as given by the Working Group on freight traffic as highly optimistic. According to the independent estimates made by them, the Railways had come to the conclusion that an anticipated annual growth rate of about 13 to 15 million tonnes was a more reasonable assumption and that on that basis the freight traffic forecast of about 280 million tonnes by 1978-79 seemed more realistic. The Planning Commission, however, after discussion with the concerned Ministries, has fixed a target of 300 million tonnes.

6.3. In regard to non-suburban traffic, Railways have estimated that the growth is expected to be about 4 per cent per annum in terms of passenger kms. So far as suburban passenger traffic is concerned, the growth in different areas would be different varying from 3 per cent per annum in Calcutta area to 6 per cent per annum in Bombay area, the overall growth being 5 per cent per annum.

6.4. In reply to a question regarding the average annual increase in freight traffic during each of the earlier Plans, the Ministry have furnished the following information:—

(in million tonnes )

Plan	Annual average increase in freight traffic	Total increase in freight traffic
First Five Year Plan	4.58	22.9
Second Five Year Plan	8.08	40.04
Third Five Year Plan	9.35	46.77
Inter Plan years (1966-67—1968-69)	0.33	1.00
Fourth Five Year Plan	0.78* —3.8@	3.9* —19.0@

\*on the basis of 1969-70 figures when the traffic lifted was maximum in the Plan period.

@ on the basis of 1973-74 figures.

6.5. The highest increase in any one year during the last 23 years was in 1962-63 when freight traffic increased by 18.3 million tonnes.

6.6. Asked about the views of the Planning Commission in regard to the traffic targets of the Fifth Plan, the representative of the Commission stated during evidence that they took an integrated view as to how the various sectors of the economy were likely to develop and on the basis of such a study they prepared a very detailed input-output table. Thereafter, based on the availability of resources, physical targets were set out. So far as Railways were concerned, a Working Group had been set up to work out targets of originating freight traffic during the Fifth Plan taking into account the physical targets for different sectors of the economy. While every effort we made to make planning as realistic as possible, one important consideration before the Planning Commission was that



read one should point out that transport had become a bottleneck for the development of other core sectors of the economy, particularly when it took five to seven years for line capacity to be developed. The Working Group had, therefore, taken the view that it would be better to err on the safe side by targeting for a capacity of 335 million tonnes by 1978-79. The Planning Commission had, however, fixed a tentative target of 300 million tonnes. It had been suggested to the Railways that, in so far as the question of procurement of wagons, locomotives, etc. for handling the projected increase in traffic was concerned, they may initially plan of 280 million tonnes and the balance 20 million tonnes might be carried by improving the performance and in case the trend of traffic growth corresponded to the projected increase of 335 million tonnes visualised by the Working Group, procurement of additional rolling stock could be arranged within a short time lead of about two years. He assured the Committee that the traffic targets would be kept under constant watch.

6.7. In reply to a question whether the Fifth Plan target of 280 million tonnes was not over-pitched keeping in view the fact that at the end of the Fourth Plan the traffic was only 185 million tonnes, the representative of the Planning Commission stated that the matter had been gone into in detail by the Working Group which had in fact suggested a target of 335 million tonnes. Coal and steel production was expected to go up considerably during the Fifth Plan. Coal production in particular was expected to go up from about 78 million tonnes at the end of the Fourth Plan to 135 million tonnes by the end of the Fifth Plan. Out of this 57 million tonnes of additional production, a major portion would come to the Railways for movement. The production of iron ore was also expected to increase from 37 million tonnes to 58 million tonnes during this period. Thus these two commodities alone may contribute upto 60 million tonnes of additional traffic to the Railways. He, therefore, thought that taking all bulk commodities into consideration, the target of 280 million tonnes did not appear to be unrealistic. The effort of the Planning Commission was to strike a compromise between those who wanted to place ambitious targets before the country and others who wanted to go by past performance alone.

6.8. The Committee enquired whether the Railways' Fifth Plan had been reappraised taking into consideration the oil Crisis and the escalation in prices. The representative of the Ministry stated that an overall appraisal of the draft Fifth Plan had not yet been done. They were calculating on a severally restricted annual plan basis and had curtailed their expenditure considerably. The represen-

tative of the Planning Commission added that if the physical targets remained the same, the Railways would need additional resources because of price escalation.

6.9. The Committee observe that the Working Group on Freight Traffic had projected a total of 335 million tonnes of originating traffic by the end of the Fifth Plan. The Planning Commission have, however, tentatively fixed a target of 300 million tonnes i.e., an increase of about 115 million tonnes over the actual originating traffic carried by the Railways at the end of the Fourth Plan. Planning of resources has been restricted for the present to a target of 280 million tonnes which the Railways consider to be more realistic.

6.10. The Committee note that the Railways expect an annual growth of 13 to 15 million tonnes of originating traffic over the 1969-70 level of traffic (207.9 million tonnes). They find that the maximum increase in traffic during the last 24 years of planning, occurred in the Third Plan period when the average annual increase was of the order of 9.35 million tonnes. In the Fourth Plan, the traffic actually declined by 19 million tonnes in 1973-74 as compared to 1968-69.

6.11. While the Committee appreciate the concern of the Planning Commission and the Railways to fix realistic targets they consider even the present anticipation of 13 to 15 million tonnes of additional traffic per annum may prove to be on the high side. In this connection, the Committee would recall that in his Budget speech for 1974-75 the Railway Minister had made a "hopeful assumption" that the Railways will carry 25 million tonnes of additional traffic in that year over that expected in 1973-74 i.e., 217 million tonnes). However, at the time of mid-year appraisal it was realised that the traffic would not exceed 197 million tonnes. The latest assessment is that it would be about 192 million tonnes only. Even after making allowance for the loss of 11.8 million tonnes of traffic during the period April to June, 1974 because of the Railway strike, it would be apparent that the estimate of 217 million tonnes of originating traffic for 1974-75 which was the first year of the Fifth Plan, was very much on the high side.

6.12. The Committee note that in the current year (1975-76) the Railways expect to achieve the target of 210 million tonnes i.e., an increase of about 18 million tonnes over the anticipations for the last year, which again appears to be on the high side.

6.13. The Committee, however, learn that coal and steel production is expected to go up considerably during the Fifth Plan, and that these two commodities alone may contribute upto 60 million tonnes of

additional traffic to the Railways. The Committee have discussed about estimates of traffic for these and other commodities in subsequent sections of this Report.

6.14. The Committee note that a reappraisal of the targets for the Fifth Plan including that of the Railways is in progress. The Committee would like the Planning Commission/Government to fix realistic targets keeping in view the performance of various sectors of the economy, the likely growth and changes in the pattern of traffic and other relevant factors. The Committee stress that the position should be kept under continuous watch and reviewed from year to year so as to ensure that the investments made in the Railways are fully warranted by the needs of the traffic and that they generate enough returns to meet at least the dividend liability in full.

### B. Financial Outlay and Physical Targets

#### (a) Outlay

6.15. The Ministry of Railways have informed the Committee that the Railways had sought an outlay of Rs. 2,915 crores for the freight traffic target of 300 million tonnes. Against this, the Planning Commission have tentatively allocated a sum of Rs. 2350 crores or a reduction of Rs. 565 crores.

6.16. The Plan outlays under various heads as suggested by the Railways and as provided for by the Planning Commission in the draft Fifth Five Year Plan are indicated below:—

Plan Head	(Rs. in crores)	
	As suggested by Railways	As proposed by Planning Commission.
1. Rolling Stock .	1,160	900
2. Machinery & Plant .	40	40
3. Track Renewals	240	200
4. Bridge Works .	60	60
5. Line Capacity Works	550	500
6. Signalling & Safety works . . . . .	125	110

1	2	3
7. Workshop & Sheds . . . . .	205	120
8. Electrification . . . . .	120	120
9. Other Electrical Works . . . . .	20	20
10. Staff Quarters . . . . .	55	40
11. Staff Welfare . . . . .	20	20
12. Users' Amenities . . . . .	20	20
13. New Lines . . . . .	100	100
14. Investment in Road Services . . . . .	100	30
15. Other specified Works . . . . .	20	20
16. Inventories . . . . .	80	50
TOTAL . . . . .	2,915	2,350

6.17. The Ministry have added that while the target of originating traffic has been fixed by the Planning Commission as 300 million tonnes, provision of rolling stock is, however, being made on the basis of 280 million tonnes of traffic. This would, however, be reviewed at the time of the mid-term appraisal on the basis of actual materialisation of traffic. Even for this level of traffic, the requirements of funds for rolling stock work out to Rs. 1,030 crores based on 1972-73 prices against which the provision made by the Planning Commission is for Rs. 900 crores on the assumption that cost per unit may come down on account of bulk procurement. This assumption is not proving to be correct. For achieving the physical targets of procurement of rolling stock, the requirement of funds, based on the latest price trends, are in fact, likely to be more—anything from 20 per cent to 25 per cent—than the cost of Rs. 1,030 crores originally estimated by the Railways.

6.18. Based on 1972-73 prices, the requirements of funds for rolling stock for the targeted level of 300 million tonnes, work out to Rs. 1160 crores which figure is likely to go up by at least 20 per cent to 25 per cent if the current prices are taken into account. If the Railways are to be required to handle this level of traffic, it would not only be necessary to obtain more funds to the tune of Rs. 260 crores to come up to original estimates but perhaps even more to cater for the price escalation.

6.19. Likewise, it would be necessary to restore the outlay of Rs. 205 crores for 'Workshops & Sheds' proposed by Railways against Rs. 20 crores accepted by the Planning Commission. In order to cater

a very substantial increase in freight as well as passenger traffic during the Fifth Plan, it would not only be necessary to augment the fleet of wagons, coaches and locomotives, but it would be equally necessary to provide adequate facilities for satisfactory maintenance thereof. For this purpose, the Railways will have to considerably expand the sickline and workshop facilities. Setting up of a few units for production of wheels and axles, traction motors and gears and certain other critical items with a view to save considerable foreign exchange otherwise involved in the import of such equipment, would also be necessary.

6.20. In the context of oil crisis and escalation in prices, the draft Fifth Five Year Plan is presently being reappraised. The Railways are re-assessing their requirement of funds for developmental activities and shall be finalising the same in consultation with the Planning Commission.

(b) *Commodity-wise targets*

6.21. This following table shows the commodity-wise targets for the Fifth Plan *vis-a-vis* the actuals of the Fourth Plan:—

(In million tonnes)

	Fifth Plan Targets		Fourth Plan Actuals
	As Proposed by the Working Group	As approved by the Planning Commission	
<b>1. Steel Plants</b>			
Finished Products	12.0	11.5	6.1
Raw Materials	35.0	35.0	15.9
	<u>47.0</u>	<u>46.5</u>	<u>22.0</u>
<b>2. Coal</b>			
Steel Plants & Washeries	32.0	32.0	17.0
Others	79.0	63.5	30.5
<b>3. Iron Ore for Export</b>			
	27.0	18.5	8.5
<b>4. Cement</b>			
	21.0	18.0	10.0

1	2	3	4
<i>General</i>			
Foodgrains . . . . .	17.0	16.0	14.6
POL . . . . .	19.0	15.5	10.2
Fertilisers . . . . .	10.0	15.0	5.5
Other goods . . . . .	58.0	50.0	44.5
	104.0	96.5	74.8
TOTAL—Revenue Traffic . . . . .	310.0	275.0	162.5
Railway Coal . . . . .	13.0	13.0	15.1
Railway Materials . . . . .	12.0	12.0	7.6
	25.0	25.0	22.7
GRAND TOTAL . . . . .	335.0	300.0	185.2

6.22. In reply to a question whether targets for various commodities had been fixed in terms of net tonne kms., the Ministry have stated that the details of origin-destination pattern of traffic are not available to work out precisely the anticipated load for each commodity. In the absence of this information, projections of the anticipated leads have to be based on the past trends as well as certain known developments.

6.23. The Planning Commission are of the view that the average lead of traffic in the Fifth Plan is likely to drop to 630 kms. in 1978-79 as compared to 678 kms. in 1972-73 and 662 kms. in 1973-74. In view of the substantial increase in the short lead traffic like coal and raw materials to steel plants etc. anticipated during the Fifth Plan, the Railways have come to the conclusion that the average lead of traffic in the Fifth Plan may not be higher than in the Fourth Plan and on a rough estimate the figure may be around 660 kms. Planning of resources of rolling stock has been done in the Plan document on the basis of an overall target of 280 million tonnes of freight traffic and an average lead of 660 kms. However, no traffic target in terms of net tonne kilometres commodity-wise, as such has been prepared.

6.24. In a further note, the Ministry have added that while no targets in terms of net tonne kms., commodity-wise, have been formulated and notified by the Railway Board for making the assessment of the requirements of rolling stock, these figures have necessarily to be

worked out and this has been done in respect of Fifth Plan also. This assessment has been made by adopting the figures of originating tonnes within the overall target of 280 million tonnes and by making certain assumptions regarding the average lead for each major commodity based on the past trends and known developments.

6.25. In reply to another question about the expected lead of traffic in various commodities during the Fifth Plan, the representative of the Ministry of Railways stated during evidence that the pattern that had been prevailing over the last 10 to 11 years was known. According to their calculations the lead was not expected to drop to the extent envisaged by the Planning Commission because the originating disposition of the resources was not going to be materially different from what it was now. The demand pattern would also continue to be more or less the same. They, therefore, thought that the lead was expected to be nearer 660 kms. rather than 630 kms. visualised by the Planning Commission. He added that the question of lead had not yet been settled and there was still argument going on between them and the Planning Commission about the likely increase in lead during the next five years. The present position was that the Railways were geared to carry 235 million tonnes with an average lead of 630 kms. and in case the lead stabilised at a level of 678 kms. reached in 1972-73, they would be able to carry 215 million tonnes only. In other words, their total freight carrying capacity at present was 148 billion net tonne kms.

6.26. Asked to clarify the position in this regard, the representative of the Planning Commission stated that the additional traffic which they were expecting was mainly short lead traffic. The average lead of each commodity had been assumed to remain at the level of 1971-72 and the weighted average came to 630 kms. Since a substantial portion of the additional traffic in the Fifth Plan was short lead traffic relating to raw materials for steel plants, the same had influenced the downward estimate of lead. He added that in regard to rolling stock investment plans of the Railways for the Fifth Plan, both the parameters namely originating tonnage as well as lead were taken into account as it was not possible to work out the requirements of rolling stock without such calculations.

6.27. The Committee note that in the absence of details of origin-destination pattern of traffic, Government have not laid down targets for the major commodities in terms of net tonne kms., and that even in regard to the overall increase in the average lead of traffic during the Fifth Plan, there is a marked variation in the views of the Ministry of Railways and the Planning Commission. While the Railways think

that there is not going to be any appreciable drop in the average lead as recorded in the Fourth Plan and that it may be around 660 kms., the Planning Commission consider that since a substantial portion of the additional traffic would be short lead traffic, particularly of raw materials for steel plants, the weighted average would be about 630 kms. only.

6.28. In this connection, the Committee would refer to paragraph 5.1 of the Report of the Working Group on Freight Traffic during the Fifth Plan where they have observed that "normally, with the dispersal of various industries it would be reasonable to assume that the average lead of freight traffic would reduce during Fifth Plan period. It is, however, of utmost importance for the concerned Ministries/Public Sector Undertakings to take this aspect into account and furnish the pattern/lead of traffic to the Railways so that they could plan on a realistic basis for the work-load expected from them."

6.29. The Committee regret to note that the factors which have inhibited the Railways from planning realistically in the preceding five year plans viz. the absence of commodity-wise targets for each year of the Plan both in terms of originating tonnage and the lead for each stream of such traffic determined in the light of detailed data and actual field conditions, continue to hamper Railway Planning in the Fifth Plan. In paragraphs 1.24 and 1.26 of this Report, the Committee have already stressed the need for specifying the total dimensions of the transportation job expected of the Railways by laying down commodity-wise targets both in terms of originating tonnage and net tonne kms. They would, therefore, urge the Planning Commission/Railways, to obtain the requisite data regarding direction/destination-wise break-up of traffic for major commodities from the Ministries/Public Undertakings concerned to enable realistic planning for rolling stock and line capacity works to be undertaken, particularly the latter which involve very heavy investments on fixed assets that cannot be transferred elsewhere. In a later section of this Report, the Committee have drawn attention to the observations made by the Public Accounts Committee regarding inadequate utilisation of the additional capacity created by the Railways at a number of places. The Committee would, therefore, like to stress that the Railways should examine critically the estimate of additional traffic likely to be generated and the earnings therefrom so as to ascertain in precise terms the financial returns that would accrue to them before committing themselves to any large scale investment on such works.



6.30. An interesting aspect of the apparently different stand-points of the Railways and the Planning Commission both with regard to the anticipations of the originating tonnage and the average lead thereof, is that while the Railways seem to take a slightly conservative view of the growth of originating traffic, the Planning Commission, while agreeing to a higher target so as to accommodate the demands of the user Ministries, have taken a similar view in regard to the anticipated lead. In terms of net tonne kms. the traffic likely to be generated would be about 184.8 billion net tonne kms. as per Railways' calculations and 189 billion net tonne kms. as per the calculations of the Planning Commission. While agreeing to an investment of Rs. 2350 crores for 280 million tonnes, the Planning Commission feel that the Railways should be capable of carrying upto 300 million tonnes i.e. 189 billion net tonne kms. with this investment and by improving their performance. As the Railways are already stated to have built up a capacity to carry upto 235 million tonnes of originating traffic at an average lead of 630 kms. or in other words, their total freight carrying capacity was 148 billion net tonne kms. at the end of the Fourth Plan, the Committee consider it imperative that the anticipations in regard to the increase in lead in the Fifth Plan are subjected to close scrutiny in the light of data furnished by major users before any further heavy investments particularly on line capacity works are made during the current Plan period.

(i) Coal

6.31. The Ministry of Railways have stated in a note furnished to the Committee that the target of coal production in the Fifth Five Year Plan is 135 million tonnes. The Department of Mines have estimated that this level of production would require a rail transport content of about 120 million tonnes. As against this, within the overall target of 300 million tonnes prescribed for the Railways, coal traffic accounts for 108.5 million tonnes. There is thus a gap of over 10 million tonnes, between the target prescribed for the Railways and the level of rail transport estimated by the Department of Mines.

6.32. As stated earlier, Railways were of the view-point that not more than 280 million tonnes of freight traffic might materialise in the Fifth Plan. Within this overall figure, they had anticipated that the movement of coal traffic will be of the order of 92 million tonnes.

6.33. The Inter-Ministerial Working Group have emphasised in their report on Freight Traffic during the Fifth Five Year Plan that

detailed break-up showing direction-wise/destination-wise movement of coal from various coal fields as was given during the Third Plan period should be furnished to the Railways as soon as possible. The Committee enquired if the relevant data had been received from the Department of Mines and if so, what steps had been taken by the Ministry of Railways to provide requisite facilities for coal movement. The Ministry of Railways have stated in their reply that the movement of coal from the various coalfields is guided at present generally by the rationalisation pattern in force for the last few decades, the basic principle being meeting the demand by linking it with the nearest source. In line with this, the demand for the South must be met from Singareni and Chanda fields supplemented by Talchar; the demand from Central and Western India from Pench and Maharashtra fields, the Central India coalfields; the demand for the North from the Singrauli fields supplemented by Bengal-Bihar fields and to a limited extent from Central India coalfields while the demand for the Eastern area and shipment traffic from Calcutta/Haldia docks from Bengal-Bihar fields. Such rationalised movement is now more feasible due to unified management of coking and non-coking coal mines.

6.34. So far as the linkage of bulk consumers with specified collieries is concerned, even during the Third Plan period, the Working Group constituted to assess the rail transport requirements had recommended that bulk consumers should be linked with collieries producing 15,000 tonnes and above per month. This has also been stressed by the Task Force on Coal and Lignite appointed by the Planning Commission to estimate the production and demand of coal at the end of the Fifth Plan. The Task Force had urged linkage of bulk consumers, for example:—

- (i) Linkage of coalfields to washeries.
- (ii) Linkage of raw coal to washeries.
- (iii) Linkage of washed coal to steel plants.
- (iv) Linkage of middlings to power houses.
- (v) Linkage of major industries to coalfields.

6.35. So far as the linkage of consumers with coalfields is concerned, the same is available only for railway loco and power houses. Railways have linked loco coal programme coalfield-wise. The Standing Linkage Committee set up by the Planning Commission has similarly so far linked 50.44 million tonnes of coal and middlings to ther-

mal stations by the end of Fifth Plan.

(in million tonnes)

Coalfields	Quantity linked for power houses by 1978-79
Bengal-Bihar . . . . .	21.44
Singrauli-Northern region . . . . .	6.47
Korba-Western region . . . . .	2.65
Korea-Rewa . . . . .	6.00
Pench/Kanhan /Tawa . . . . .	2.92
Maharashtra . . . . .	4.33
Talcher . . . . .	1.00
Singareni . . . . .	5.63
TOTAL . . . . .	50.44

6.36. The linkage of washed coal to steel plants was done by Dutt Committee in 1969-70 but the same has to be recast taking into account the requirements of Bokaro and increased requirements of other steel plants. Linkage of other major consumers is still to be done. Apart from linking coalfields, bulk consumers should be linked to individual collieries. In the absence of firm linkages, planning of rail transport is difficult as it is not known for certain whether the existing pattern of movement will continue and what would be the pattern of increased requirement. Unfortunately, the Ministry of Mines has not been able to furnish such direction-wise movement pattern of coal route-wise to enable meticulous calculation of rail transport capacity required and rolling stock requirements. However, the Railway Board of their own had already appointed two Coal Transport Study Teams, one for the Bengal-Bihar coalfields and the other for Outlying fields which after detailed consultations with the collieries and the consumers to the extent possible have recommended certain pattern of movement. The recommendations of these Study Teams are under examination in consultation with Ministry of Steel and Mines, the C.W.P.C. and other important users. So far, the comments of the Department of Mines have been received with regard to the recommendations for the outlying fields. The comments of the CMAL for the Bengal-Bihar fields have also been received recently. The comments of the BCCL (Bharat Coking Coal Limited) however are still awaited and the Secretary, Department of Steel has been demi-officially requested to furnish their comments so that the Railways may take further action to develop necessary capacity. It is

seen from the comments of the CMAL both for the outlying fields as well as the Bengal-Bihar fields that, except for certain minor variations, they are in general agreement with the recommendations of the Study Teams.

6.37. The Study Teams, on their part, have made recommendations under two categories, one of immediate nature which are based on the traffic targets already in sight and are required to be implemented immediately. The other set of recommendations pertains to the long-term requirements which have to be developed as and when the coal traffic anticipated comes up. The recommendations are under examination with the Department of Mines. So far as the immediate recommendations are concerned, necessary action is being taken. The developmental facilities to meet the transport requirements on the basis of these recommendations will be undertaken subject to the availability of funds and production of coal.

6.38. Against the anticipated production of 95 million tonnes in 1974-75, the co-efficient of rail transport is likely to be of the order of about 80 million tonnes. Apart from the works already in progress, the following works costing Rs. 20 lakhs and above to develop transport capacity for the movement of this coal target have been included 1974-75 budget provision:—

Name of work	Anticipated cost (Rs. in lakhs).
<b>CENTRAL RAILWAY</b>	
1 Remodelling of Junnerdeo Yard	42
2 New Katni Yard-Remodelling	74
3 Bhusawal Up Goods Yard-provision of 3 additional Up Departure lines of 686 m.	35
<b>EASTERN RAILWAY</b>	
4. Gomoh -Remodelling of yard.	63
5. Kusunda-Titulmari link—	
(i) Provision of an additional line to serve Chandore Branch.	} 38
(ii) Kusunda-Phase I—Provision of an additional line in the empty stabling yard.	
<b>NORTHERN RAILWAY</b>	
6. Doubling between Sabzimandi and Ganaur	4.48
<b>SOUTH CENTRAL RAILWAY</b>	
7. Ramgundam-Provision of additional lines in the yard (60 wagons capacity each).	21
8. Mandamari-Additional facilities in the yard.	34
9. Vijaya wada-Krishna Canal Section : Provision of absolute permissible block working.	22

6.39. The Committee are given to understand that apart from the studies undertaken by the above two study teams, the Railways had drafted the services of the Indian Statistical Institute, Calcutta to make suggestions for improving coal loading operations in Bengal-Bihar coalfields.

6.40. Following is the summary of the main recommendations of the study undertaken by the Indian Statistical Institute in their Report submitted on 30th October, 1973:—

1. Availability of minimum empties above and below Mughal-sarai is assured. First allotment might, therefore, be fixed up from these two sectors;
2. Flow of empties from principal release points might be forecast more realistically as per the illustrative procedure given in the Report;
3. To facilitate maximum block rake movement, more rational planning and scheduling of movement must be worked out. An approach is to link up the coal raising areas with the consumers in accordance with the grades of coal produced. Allotment and programming might also be accordingly chalked out;
4. An integrated programming has to be worked out for slack coal which accounts for about 40 per cent of non-coking coal;
5. Optimum linkages would have to be worked out for steel plants, washeries and closed circuit areas;
6. Allotment and programming must be computerised;
7. Wagon detention of 4 to 5 days at depots and collieries must be reduced;
8. For the projected coal loading in the Fifth Plan from Bengal-Bihar Coalfields, extra wagon requirement will be substantially lower if reduction could be achieved in terminal detentions and transit time.

6.41. The Ministry of Railways have stated that these recommendations are being examined by the Railway Board and the concerned Railways, viz. South Eastern and Eastern Railways. Most of the suggestions given in the report require changes in the offers of coal by the Coal Mines Authority and Bharat Coking Coal Ltd. Well established linkages of coal from Washeries to Steel Plants also require basic changes and their desirability has also to be studied in depth

before any decision can be taken for changes in the loading and movement patterns. For example, all steel plants require both primary coking coals which are mined in the Jharia sector and passed through washeries at Patherdih, Dugda, Bhojudih and Chasnala and the medium coking coals which are produced in the Bokaro sphere and passed through washeries at Swang, Kathara and Kargali. It is not, therefore, possible to straightaway link any one washery to any one steel plant as suggested in the Report as that will seriously affect the blending of coals prescribed for consumption by the steel plants. The investigating team have taken an over-simplified model of the pattern of movements and the constraints and, therefore, an unrealistic evaluation of the objective situation has resulted.

6.42. Similarly, the slack coal movement from each field cannot be directly linked to any power house or cement plant. Certain collieries have been nominated in each sector of the Bengal-Bihar coalfields for moving coal to different power houses, depending upon the type of boiler used and also the equipment available with those units. Power houses cannot consume any type of slack coal that is offered to them. For instance, Lancashire boilers require superior Grade I coal. The new power houses at Patratu and Badarpur require very low grades of coal. Harduaganj 'B' power house requires also low grade 'Run of Mine' type of coal. With so many variables, it is not easy to attempt straight linkages from any given field to any given power house.

6.43. It is, therefore, necessary for the Ministry of Steel and Mines and the Ministry of Railways to examine this Report in all its various ramifications before any definite steps can be taken in implementing the recommendations.

6.44. In regard to the recommendation at Serial No. 8 above, the Ministry have informed the Committee that the production programmes of coal in the Bengal-Bihar coalfields during different years of the Fifth Plan have not been indicated by the Ministries of Mines and Steel. According to the Study Report of Coal Transport Planning Team, however, coal production in these fields is likely to reach the level of about 81 million tonnes by 1978-79 as against about 53 million tonnes in 1973-74.

6.45. The existing methodology for working out the rolling stock requirement does not cater for calculating requirements only for the incremental traffic. Calculations of the rolling stock requirements are made for the target level of traffic at the end of the Plan period.

The number of wagons/locomotives etc. required to be procured is then worked out by subtracting the existing holding of wagons/locomotives from the total requirements thus worked out. It is, therefore, not possible to indicate the additional requirements of wagons to carry the incremental coal traffic during the Fifth Plan.

6.46. The requirements of wagons calculated by the Railways already take into account the anticipated improvement in the turn-round of wagons. Thus against the actual turnround of 15.5 days for Broad Gauge wagons in 1972-73, wagon requirements during the Fifth Five Year Plan have been worked out on the assumption that the turn-round would reduce to 12.1 days. This reduction in turnround is anticipated on the consideration of drop in average leads as also on account of several measures proposed to be taken by Railways/users during the Plan period e.g. increased block rake movements, setting up of coal dumps and steel stock yards, mechanical loading/unloading arrangements for bulk commodities such as coal, iron ore etc., rationalisation of loading of coal so as to avoid wasteful practices etc. etc.

6.47. In a subsequent note about the latest position regarding implementation of the recommendations of the Indian Statistical Institute, the Ministry have stated that the Indian Statistical Institute who were entrusted with a study pertaining to coal loading in Bengal-Bihar fields and servicing by goods trains at Shalimar and Madras terminals have submitted their report finally on 14th January, 1974. Copies of the report have been sent on 17th January, 1974 to the General Managers, Southern, South Eastern and Eastern Railways for obtaining their comments by 18th February, 1974 latest. On receipt of comments from the Railways, it is proposed to hold a seminar in the Railway Board's office to discuss the recommendations made and decided the follow-up action.\*

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\* NOTE :

In a further note on the subject, the Ministry of Railways have stated that "the various recommendations made by the Indian Statistical Institute in their study on coal loading in Bengal/Bihar coalfields have been carefully examined in consultation with the Eastern South-Eastern and Southern Railways. The Study Team had apparently not taken into consideration the several changes that took place in the demand patterns of coal from Bengal, Bihar coalfields. After nationalisation, the coking coal were preserved and mixture of medium coking coal and prime coking coal supplied to all steel plants which resulted in movement of coal from almost all washeries to all steel plants situated both in the Eastern and South Eastern Railways. Similarly, the movement of coal to cement plants and different power houses has undergone a change on account of changes in the qualities of coal available in different sectors of the Bengal/Bihar coalfields. Linkages of coal to power houses, cement plants and industries are based now on the qualities of coal rather than the location of the coalfield, although the overriding principle that coal from the nearest coalfield should move to the nearest consumer, is still being followed to the extent possible. All these features were not taken into consideration by the study team and hence the solutions given by them for coal movement are found to be over-simplified and impracticable. The Railways also do not, therefore, find any necessity for convening a seminar on the subject.

6.48. In reply to a question regarding the improvement effected in loading of coal in recent months, the Ministry have stated that as regards coal loading in general in the Bengal/Bihar coalfields, there was a severe set-back in the period between August, 1973 and May, 1974 when the Railways went through a difficult period of staff agitations, 'go slow' in working etc., which culminated in the all India Railwaymen's strike in May, 1974. The average loading in the Bengal/Bihar coalfields in the 6 months prior to May, 1974 was 4953 wagons per day only. From June onwards, the coal loading improved, as can be seen from the following figures:—

December, 1973 . . . . .	4651	September, 1974 . . . . .	5641
January, 1974 . . . . .	5150	October, ,, . . . . .	5484
February ,, . . . . .	5090	November ,, . . . . .	5652
March ,, . . . . .	4716	December ,, . . . . .	5655
April ,, . . . . .	4977	January 1975 . . . . .	5975
May ,, . . . . .	5088	February ,, . . . . .	6164
June ,, . . . . .	5559	March ,, . . . . .	6071
July ,, . . . . .	5404	April ,, . . . . .	5992
August ,, . . . . .	5537		

6.49. The Committee enquired whether in view of the oil crisis, any reappraisal of the immediate and future coal requirements had been made by Government, and if so, with what results. The Ministry of Railways have informed the Committee that the Government of India had, some time back, set up a high-powered Fuel Policy Committee which has recently submitted its final report. This report takes into account the repercussions of the international energy crisis particularly in the context of escalation in crude prices. According to the final report, the requirement of coal by the end of the Fifth Plan is likely to be of the order of 145 million tonnes which is likely to increase still further to 210.8 million tonnes by 1983-84 and 352.9 million tonnes by 1990-91.

6.50. In reply to a further question whether the Ministry of Railways had drawn up an overall plan in consultation with the Coal



Mines Authority, the Bharat Coking Coal Ltd., and the major consumers to ensure provision of suitable loading and unloading facilities for efficient movement, the Ministry of Railways have stated that with a view to organising more and more movement in block rakes, Railways in consultation with the coal producing agencies and the Department of Mines have formulated certain rationalisation proposals. Those proposals envisage reduction in the number of loading points for coal traffic and increased loading of block rakes. Closure of certain coal loading points and augmentation of other sidings is also visualized. The matter concerning the implementation of the rationalisation scheme is being pursued with the CMAL/BCCL as well as the Department of Mines.

6.51. In an earlier paragraph, the Committee have noted that the Railways carried 62.4 million tonnes of coal in the last year of the Fourth Plan against the original target of 84.4 million tonnes and the revised target of 77.5 million tonnes. Their best performance in this direction was in 1969-70 when the total amount of coal moved by rail was 71 million tonnes.

6.52. The Committee note that by the end of the Fifth Plan the Railways may be called upon to carry about 120 million tonnes of coal out of the projected production target of 135 million tonnes. (The report of the Fuel Policy Committee in fact, envisages that the coal requirement is likely to be of the order of 145 million tonnes by the end of Fifth Plan). According to Railways' own estimate, however, the movement of coal will be of the order of 92 million tonnes out of the total traffic target of 280 million tonnes. Thus, there is a wide variation of 28 million tonnes between the estimates of the Planning Commission and the Ministry of Railways. The Committee see no justification for such wide variation. They regret to observe that the Ministry of Energy have not been able as yet to furnish direction-wise movement pattern of coal to enable detailed calculation of rail transport capacity, rolling stock and other ancillary requirements being made by the Ministry of Railways in spite of the specific recommendation of the Working Group on freight traffic in this regard. They would, therefore, like the matter to be gone into by a Task Force which might be asked to work out detailed production and movement requirements (direction-wise). This Task Force may include representatives of the Railways, the Coal Mining Authorities and the Planning Commission. The Committee need hardly add that the actual materialisation of coal traffic should be kept under continuous review and further investments decided in the light thereof.

6.53. In this connection, the Committee would like to reiterate the following observations made by the Estimates Committee in para 5.53 of their 68th Report on Availability and Distribution of Coal:—

“It is well known that linkages of major consuming sectors with coalfields, are imperative for an efficient transport system. The Committee note that the Standing Linkage Committee has finalised the linkages in respect of Thermal Power Stations and also the allocations in respect of Cement Industry. The Committee would urge that the linkage of coalfields to other major industries and washeries and of washed coal to steel plants should be expedited. The Committee need hardly emphasise that the linkages should be firm and effective and should be reviewed from time to time to remove bottlenecks in the way of smooth and efficient movement of coal to consuming centres. The Committee have no doubt that in fixing linkages, it would be ensured that bulk consumers are linked to the nearest coalfields with a view to reduce the lead to the minimum possible so as to economise on transport costs.”

6.54. The Committee note that the linkage of washed coal to steel plants was done by the Dutt Committee in 1969-70 but the same has to be recast taking into account the requirements of Bokaro and increased requirements of other steel plants. The Committee further note that the recommendations of the Study Teams appointed by the Railways to go into this matter are under examination in consultation with the Ministry of Steel and Mines, the Central Water and Power Commission and other important users.

6.55. The Committee see no reason why the linkages of washed coal to the steel plants were not finalised well before commencement of the Fifth Plan. They would urge that the examination of the recommending made by the Study Teams should be completed without further delay and necessary follow-up action taken in consultation with the authorities concerned.

6.56. The Committee further observe that the Indian Statistical Institute, Calcutta who were entrusted by the Ministry of Railways to study the coal loading operations in Bengal-Bihar Coalfields have made certain important suggestions for improvement in the turn-round of wagons. The Institute are of the view that for the projected coal loading in the Fifth Plan from Bengal-Bihar coalfields, extra wagon requirements will be substantially lower if reduction could be achieved in terminal detentions and transit time. The Institute

have inter-alia recommended that (i) to facilitate maximum block rake movement, more rational planning and scheduling of movement must be worked out; (ii) an integrated programming has to be worked out for slack coal which accounts for about 40 per cent of non-coking coal; and (iii) wagon detention of 4 to 5 days at depots and collieries must be reduced; etc. etc. The Committee would like the Ministry of Railways to examine carefully these and other recommendations made by the Indian Statistical Institute in the light of similar suggestions given by their own study team on Coal Transport Planning in Bengal-Bihar Coalfields in consultation with the Department of Mines so that the loading and movement of coal is rationalised and speeded up.

(ii) *Steel Plants Traffic:*

6.57. It would be seen from the table given in para 6.21 above that the Railways' target of Steel Plants' traffic to be attained by the end of the Fifth Plan is 11.5 million tonnes of finished products and 35 million tonnes of raw materials. This represents an increase of 88 per cent and 119 per cent respectively over the Fourth Plan performance. The Committee therefore, enquired about the rationale for this increase and the additional investments that would be involved to carry the proposed level of traffic. The Ministry of Railways have informed the Committee that the quantum of movement of finished products from Steel Plants and raw materials to steel plants during the Fifth Five Year Plan is based on a hot metal production of 14 million tonnes indicated by the Ministry of Steel. The increased production of steel during the Fifth Plan is based on the assumption that production capacities of the Steel Plants at Bhilai and Bokaro would be increased from 2.5 million tonnes to 4 million tonnes in case of Bhilai and from 1.7 million tonnes to 4 million tonnes in case of Bokaro during the Fifth Plan period.

6.58. As regards the movement of raw materials, the quantum thereof is dependent on the level of hot metal production envisaged.

6.59. It is not possible to indicate the additional investments required for handling steel plants traffic only as the investments made on augmentation of line capacity is a composite figure covering requirements of all commodities of freight traffic as well as passenger traffic.

6.60. In paragraph 3.11 of this Report, the Committee have pointed out that the maximum of steel plants traffic carried by the Railways in any single year of the Fourth Plan did not exceed

what the Railways had already carried at the end of the Third Plan and that the Railways were already geared to carry upto 28 million tonnes of such traffic at the end of the Fourth Plan. In view of the marked shortfall in materialisation of traffic in successive Plan periods, the Committee consider that there is imperative need for laying down realistic targets and establishing firm linkages for movement of raw materials to and finished products from the steel plants. The Committee are of the view that since the steel industry is predominantly in the public sector, co-ordination with the steel plants which are controlled by a single agency viz. the Steel Authority of India Ltd. should be no problem. The Committee would like the detailed requirements with firm linkages to be worked out before making any sizeable investments for meeting the projected increase in steel plants traffic.

(iii) *Iron-Ore for Export:*

6.61. The Committee pointed out that the movement of iron ore for export is expected to be of the order of 18.5 million tonnes by 1978-79 as against the actual movement of 8.4 million tonnes only during 1973-74. The Committee, therefore, called for details of the projections made in this regard for each year of the Fifth Plan, the line capacity works etc. needed for carrying the increased traffic and the investments to be made for provision of the requisite facilities. The Ministry have stated in a note furnished to the Committee that while details of the yearwise projections of movement of iron ore traffic for export have not been furnished by MMTC, the final target of 18.5 million of originating tonnes of this traffic in 1978-79 is based on the assumption that the overall level of exports of iron ore by that year would increase to 35 million tonnes as compared to about 24 million tonnes obtaining at present.

6.62. To enable increased level of export of iron ore traffic during the Fifth Year Plan, augmentation of the line capacity on the following routes/sections has been sanctioned at costs indicated against each scheme:—

S.No.	Name of work	cost (Rs. in crores)
(1)	Doubling and crossing stations etc. on Renigunta—Guntakal section	11.02
(2)	Rail facilities at Bachel to serve Iron Ore Deposit No. 5	4.15
(3)	Rail link to Haldia	8.35
(4)	Banspani—Jakhapura New Line	39.00
(5)	Tornagulla—Mudukulpenta New Line	3.30
(6)	Crossing Station on K. K. Line	0.35

6.63. In addition, electrification of Waltair-Kirandul line at an estimated revised cost of Rs. 34.71 crores is also a sanctioned work which is likely to fructify during the Fifth Five Year Plan. The electrification of Panskura-Haldia section at an estimated cost of Rs. 3.12 crores will also enable haulage of iron ore traffic, amongst other items.

6.64. The Railways are also planning to procure special type of stock (BOY type of wagons) for transport of iron ore traffic for export. Provision has already been made to procure about 1700 BOY wagons.

6.65. The Committee note that the movement of iron ore for export is expected to increase from 8.4 million tonnes at the end of the Fourth Plan to 18.5 million tonnes by the end of the Fifth Plan. Besides electrification of Waltair-Kirandul line and the Panskura-Haldia section at an estimated cost of Rs. 37.83 crores, an investment of Rs. 66.17 crores including an expenditure of Rs. 39 crores on Banspani-Jakhapura new line and Rs. 11 crores on doubling and crossing stations etc. on Renigunta-Guntakal section, has been proposed to meet the additional level of traffic in the Fifth Plan.

6.66. It would be seen from para 3.87 above that although the Railways were geared to carry 16 million tonnes of iron ore for export at the end of the Fourth Plan, the actual utilisation of rail capacity was only to the extent of 8.4 million tonnes. The Committee consider that the justification for the proposed new line and line capacity works (as mentioned above) which would involve an outlay of as much as Rs. 66 crores (and this may eventually prove to be an under-estimate) needs to be gone into in detail and thoroughly before the Railways start work on these projects.

6.67. As the commitments for export are made well in advance, the Committee do not see any reason why realistic targets cannot be fixed in this case. The Committee would like a Task Force consisting of the representatives of the Railways and the production and exporting agencies to go into the matter in depth so that a realistic assessment is made of the requirements, year-wise and investments where required are made only on the basis of carefully assessed needs.

(iv) *Cement*

6.68. The Committee enquired about the rationale for the projected increase of 80 per cent in cement traffic during the Fifth Plan i.e. from 10 million tonnes in 1973-74 to 18 million tonnes by

1978-79. The Ministry of Railways have stated that the target for movement of cement traffic by rail during the Fifth Five Year Plan has been fixed by the Planning Commission taking into consideration the likely expansion of production of cement in the country in the Plan period. The draft Fifth Five Year Plan document envisages production of cement in the country to increase to 25 million tonnes in the Fifth Plan against the estimated production of 15 million tonnes at the end of the Fourth Plan. While Railways have cleared certain schemes of expansion of the existing cement plants as well as for setting up of new cement plants from the transport angle, various other proposals in this regard are still being examined. The final decision in the matter would, however, rest with the Ministry of Industry.

**6.69. The Committee have already referred to the loss of production due to the inability of the Railways to supply wagons to the cement factories in time and in adequate numbers and have emphasised the need for establishing firm linkages for supply of raw materials as well as movement of the finished product from the factories. The Committee consider that since the Cement Corporation of India have now gained an experience of several years, it should be possible for them to make a realistic assessment of the production capacity on the one hand and on the other to lay down proper linkages so that production does not suffer for want of transport. As production of cement is expected to go up by about 66 per cent during the next five years, the Committee would also like the Railways to streamline their field organisations so as to ensure easy and timely availability of wagons, particularly covered wagons to the industry.**

(v) *Fertilizers:*

6.70. The traffic in fertilizers is expected to go up to 15 million tonnes by 1978-79 as against the actual movement of 5.5 million tonnes in 1973-74 i.e. an increase of about 173 per cent during the next 5 years. The Committee enquired if this estimate had been accepted by the Ministry of Railways and if so, what would be the additional outlay needed for carrying the proposed traffic. In a note, the Ministry of Railways have stated that within the overall target of lifting 280 million tonnes of freight traffic by the end of the Fifth Five Year Plan which Railways had considered a more realistic target, the target for carrying fertilizer traffic was envisaged as 10 million tonnes. The Planning Commission have, however, fixed a target of 15 million tonnes within the overall target of

300 million tonnes on the grounds that the food production in the country during the Plan period would have to be considerably augmented which would require much greater movement of the fertilizer traffic than what is anticipated by the Railways.

6.71. As regards the additional outlays needed for carrying the proposed traffic, for reasons explained earlier, it is not possible to indicate separately the outlay for a specific commodity.

6.72. The Committee observe that an increase of 173 per cent is expected in fertilizer traffic during the Fifth Plan over the level achieved at the end of the Fourth Plan. In para 3.123 earlier, the Committee have drawn attention to the shortfall in materialisation of fertilizer traffic during the Fourth Plan which is indicative of the fact that the traffic requirements were not realistically planned. As a very ambitious target has been fixed for the Fifth Plan, the Committee would like the matter to be studied in depth by a Task Force consisting of the representatives of the Railways and the producing agencies. The Committee further suggest that for the additional traffic that might be forthcoming, direction/destination-wise studies should be undertaken and firm linkages established expeditiously in the interest of rationalisation of movement of traffic right from the beginning.

#### C. Passenger Traffic

6.73. The Fifth Plan assumes a growth rate of 4 per cent per annum in terms of passenger kms. for non-suburban traffic and 5 per cent per annum for suburban traffic. In view of the fact that the actual growth was 23 per cent and 44 per cent respectively during the Fourth Plan (i.e. 4.6 per cent and 8.8 per cent per annum respectively); the Committee enquired about the methodology followed for assessing the growth of passenger traffic in the Fifth Plan. The Ministry have stated that the Railways had appointed a Working Group to go into the matter. This Working Group had examined the problem by adopting three different methods, viz. Linear Time Trend method related to the past growth of traffic, the Linear Projection method related to population growth, and Linear Projection method related to national income. It had found that the projections based on national income method were not a reliable method for future planning. It had also come to the conclusion that the projections made on the basis of the other two methods appear to give a somewhat pessimistic picture particularly in the context of the latest trends in traffic materialisation. A correction was, therefore, applied by the Working Group which came to the conclusion that keeping in mind the growth of traffic over

the past several years, as also in the context of the rapid growth witnessed in the immediate past years, it would be desirable to work on the basis of 4 per cent per annum for non-suburban traffic.

6.74. So far as the suburban traffic is concerned, the Working Group had adopted a detailed study undertaken in 1971 by the Economic Unit of the Railway Board which had found that the Linear Growth method satisfactorily explained the variations in the observed statistics of passenger travel during the 10 year period covering the sixties.

6.75. In reply to a question if the estimates of growth of non-suburban passenger traffic had been prepared in respect of Mail/Express and Ordinary passenger trains separately as was done during the Fourth Plan, the Ministry have stated that the table given below incorporates the estimates of non-suburban passenger kms. worked out by the Economic Unit of the Railway Board and taken into consideration by the Working Group on passenger traffic:—

Estimates of Passenger Kilometres (Non-Suburban)

(In millions)

Year	A.C.	Ist Class	IInd class Mail/Exp	IIInd Class Ordinary	IIIrd Class A.C.	IIInd Class Mail/Exp.	IIIrd Class Ordinary	Total
<b>BROAD GAUGE</b>								
1970-71 (Actuals)	165	1812	969	278	288	29656	29601	62769
1974-75	169	2019	948	262	343	32783	33699	70223
1975-76	173	2075	947	252	362	33849	34536	72194
1976-77	177	2131	945	241	380	34915	35374	74164
1977-78	180	2187	944	230	399	35981	36211	76132
1978-79	184	2243	943	220	417	37046	37048	78101
<b>METRE GAUGE</b>								
1970-71 (Actuals)	10	392	212	250	..	8200	21885	30949
1974-75	12	453	226	265	..	9735	24088	34779
1975-76	12	466	229	263	..	10126	24612	35708
1976-77	13	480	232	262	..	10517	25137	36641
1977-78	13	493	236	260	..	10907	25661	37570
1978-79	14	507	238	258	..	11298	26185	38500

6.76. From the above table, it will be observed that whereas the break-up of passenger kms. is shown separately for Mail and



Ordinary trains in respect of Third Class and Second Class of travel, no such break-up in respect of A.C. and First Class of travel has been indicated. Since A.C. travel is provided only on long distance Mail and Express trains, the passenger kms. under this category can be allocated to the total kms. under Mail and Express trains. A similar break-up in respect of First Class, however, is not available.

6.77. Asked to furnish details of the proposals for relieving overcrowding in trains particularly on the trunk routes during the Fifth Five Year Plan, the Ministry have stated that in order to handle the heavy increase in passenger traffic during the Fifth Plan, the following strategies are proposed to be adopted:—

- (i) In respect of non-suburban passenger traffic, it will be Railways' endeavour to clear fully the long and medium distance traffic for which the Railways offer the most convenient mode of traffic. It will not however be possible to provide for any further growth in short-distance traffic for which adequate facilities of road transport should be made available.
- (ii) Development of adequate passenger terminal and yard capacities particularly at metropolitan centres will have to be expedited. Subsidiary terminals outside the present space bound terminals in such areas may have to be established.
- (iii) Longer passenger trains would be run to the extent feasible by increasingly using diesel/electric locomotives on long distance trains.
- (iv) Coaches with higher carrying capacity will be introduced, if found feasible, for example, introduction of double deckers and chair cars for short-distance and A.C. sleeper coaches with more berths for long-distance trains to increase the number of passengers to be carried per train will be considered. Likewise, dining cars and parcel vans etc. may have to be withdrawn from the existing trains to provide more sitting accommodation for Class II passengers. An attempt would be made to run parcel vans and other slip coaches/RMS vans by running express services stopping at the same stations and releasing more accommodation for passenger coaches on existing trains.

6.78. The implementation of these strategies will depend upon the availability of necessary funds and materials and feasibility of designs of new coaches being developed.

6.79. The Committee enquired if any assessment had been made of the growth of suburban traffic (year-wise and Zone-wise) in the Metropolitan and other major towns in the country during the Fifth Five Year Plan and if so, what were the proposals in this regard and the outlay provided therefore. The Ministry have replied that an area-wise assessment of the growth of suburban traffic during the Fifth Plan was made for Bombay, Calcutta, Madras and Secunderabad which gave the following results:—

	(Originating passengers in millions)				
	Bombay	Calcutta	Madras	Secunder- abad	Total
Anticipated level at the end of the Fourth Plan (1973-74)	970	314	107	10	1402
Anticipated level at the end of the Fifth Plan (1978-79)	1172	356	124	12	1664

6.80. The Fifth Plan is still under finalisation. Allocations in the Plan are not made separately for suburban traffic as such, but are given under different Plan heads, such as Rolling Stock, Workshops and Sheds, Line Capacity Works, etc. The allocation for suburban traffic cannot, therefore, be separately indicated.

6.81. As the Plan is still under finalisation, specific proposals relating to suburban section cannot be indicated at this stage. However, as far as Railways are concerned, proposals are under consideration to provide suburban electric trains on the following sections:—

- |                          |                                       |
|--------------------------|---------------------------------------|
| (i) Madras-Tiruvellore   | } after completion of electrification |
| (ii) Madras-Gummadipundi |                                       |
| (iii) Delhi-Ghaziabad    |                                       |
| (iv) Panskura-Haldia     |                                       |
| (v) Pune-Lonavala        |                                       |

Further, the Grant Road-Churchgate quadrupling in Bombay is likely to be completed by December, 1974, which will enable gradual introduction of 4 minutes service on each corridor (i.e., an average of 2 minutes service) on the Western Railway suburban section during the Fifth Plan. On the Central Railway implementation of Phase I of the optimisation scheme involving introduction of 5 minutes service on each corridor is under consideration. In case of Calcutta, there is a proposal to provide a separate suburban terminal. The final decision on the proposals would, however, depend upon the availability of funds.

6.82. As regards Metropolitan Transport, the construction of Dum-Dum-Tollyganj underground line is already in progress and was likely to be completed, as originally planned, during the Fifth Plan. However, review of the completion target may be necessary due to tight resources position. In Bombay, the commencement of work for laying an additional corridor (Corridor VI) is likely to commence during the Plan period. In case of Madras and Delhi, techno-economic feasibility studies for providing rapid transit systems are in progress and proposals for action would be evolved after a view on the studies has been taken subject to the availability of funds.

6.83. A provision of Rs. 200 crores is being made outside the Railway Plan for Metropolitan Transport Projects for intra-urban movements in the Metropolitan cities of Calcutta, Bombay, Delhi and Madras, and for conducting feasibility studies of any rail-based rapid transit schemes which may be justified by the Traffic Studies now in hand under the State Governments in Bangalore, Kanpur, Ahmedabad, Hyderabad and Pune as initiated by the Metropolitan Transport Team of the Planning Commission.

6.84. Tentatively, the allocation of Rs. 200 crores consists of Rs. 100 crores for Calcutta, Rs. 60 crores for Bombay, Rs. 35 crores for Delhi and Rs. 5 crores for undertaking techno-economic feasibility studies for any rail-based rapid transit schemes which may be justified by the Traffic Studies being conducted at the above places. It may be clarified that this city-wise break-up is subject to adjustments as may be necessitated by the progress of various Projects.

6.85. The Committee observe that as against the growth rate of 4.6 per cent per annum in the case of non-suburban traffic and 8.8 per cent in suburban traffic, recorded during the Fourth Five Year Plan, the Railways' estimate of growth of such traffic during the

Fifth Five Year Plan is 4 per cent and 5 per cent per annum respectively.

6.86. So far as non-suburban traffic is concerned, the Committee note that while the projections made on the basis of growth of national income have not been found to be reliable, those made on the basis of the linear time trend method and the linear projection method appear to give a somewhat pessimistic picture in the context of the rapid growth witnessed during the past few years. The assumption of 4 per cent growth in this case has, therefore, been made on an empirical basis.

6.87. The Committee have in an earlier chapter, referred to the persisting state of heavy over-crowding in some of the long distance trains. They note that it would be the Ministry's endeavour to clear fully the long and medium distance passenger traffic during the Fifth Plan. The Committee also note that speedier development of passenger terminal and yard capacities at metropolitan centres, setting up of subsidiary terminals, running of longer trains and provision of coaches with higher carrying capacity are some of the important measures proposed to be taken by the Railways to meet the requirements of the growing passenger traffic in the Fifth Plan. The Committee consider that since these proposals would make for better management and use of existing resources, these should be implemented on a priority basis.

6.88. So far as suburban traffic is concerned, the Committee consider that the anticipation of 5 per cent growth per annum may well prove to be on the low side considering the fact that during the past quinquennium such traffic has registered a growth of as much as 8.8 per cent per annum. In fact, compared to 1950-51, suburban traffic has gone up by 13.8 per cent per annum. The Committee would, therefore, like the Ministry of Railways to review the matter in the light of latest data and take suitable action to meet adequately the needs of such traffic. The Committee have no doubt that with the augmentation of the terminal capacities in the metropolitan towns, it would be possible for the Railways to augment the suburban services to the maximum extent necessary.

6.89. The Committee observe that the number of originating suburban passengers in Bombay area is expected to go up from 970 millions at the end of Fourth Plan to 1172 millions at the end of the Fifth Plan. The Committee note that apart from quadrupling of the Grant Road-Churchgate section of the Western Railway, implementation of Phase I of the optimisation scheme involving introduction of

5 minutes service on each corridor of the Central Railway suburban section is under consideration. The Committee would like integrated plans to be drawn up for optimisation of suburban services in Bombay area and implemented expeditiously. The Committee would also like speedy action to be taken for implementation of schemes to augment facilities for suburban traffic in other metropolitan cities and important towns such as Bangalore, Kanpur, Ahmedabad, Hyderabad and Pune etc. etc.

#### D. Requirements of Rolling Stock

6.90. As stated earlier, the target of lifting freight traffic has been indicated in the draft Fifth Five Year Plan document as 300 million tonnes. Provision under Rolling Stock has, however, been made on the basis of lifting 280 million tonnes of freight traffic. The Railways have estimated that this would require outlay of Rs. 1030 crores under Rolling Stock against which the actual provision made is only Rs. 900 crores. Thus, Rs. 130 crores less have been provided than what was estimated by the Railways.

6.91. The following is a summary of the working sheet of the requirements of various types of rolling stock including locomotives, passenger coaches, EMU stock and wagons both in physical terms as well as in monetary terms, *vis-a-vis* the targets of procurement indicated in the draft Fifth Five Year Plan:—

	As indicated in the working Sheet	As indicated in the draft fifth Five Year Plan document
<b>1. Locomotives</b>		
(a) Electric . . . . .	400	400
(b) Diesels (incl. shunters) . . . . .	946	900
	<b>1346</b>	<b>1300</b>
<b>2. Coaches . . . . .</b>	<b>6509</b>	<b>6500</b>
<b>3. Electrical Multiple units . . . . .</b>	<b>1104</b>	<b>1090</b>
<b>4. Rail Cars . . . . .</b>	<b>70</b>	<b>50</b>
<b>5. Wagons . . . . .</b>	<b>1,08,982</b>	<b>1,00,000</b>

6.92. It will be seen that the physical targets indicated by the Railways and those incorporated in the draft Fifth Plan document

differ only marginally which clearly indicates that the Planning Commission have accepted the assessment of the physical requirements of stock. Despite this, however, the outlay under Rolling Stock has been reduced by the Planning Commission by as much as Rs. 130 crores (from Rs. 1030 crores to Rs. 900 crores). It has been pointed out to the Planning Commission that within the outlay of Rs. 900 crores it would not be possible to procure the targeted quantities of rolling stock and as such the Planning Commission were requested to restore the outlay suggested by the Railways.

6.93. During discussions with the Planning Commission on the subject, the Commission have taken a view that with the envisaged high levels of procurement, the unit cost of manufacture is likely to come down; as such the overall outlay required would be less than what was indicated by the Railways. On behalf of the Railways it was explained to the Planning Commission that the cost per unit of rolling stock assumed by the Railways, was already on a conservative side and, if anything, the costs are likely to increase further (and not decrease) during the Fifth Plan. In fact, the wagon building industry has already demanded considerable increase prices and their stand has been supported by the Ministry of Heavy Industry. Similarly, due to heavy escalation in prices of material and wages of labour in the Production Units of Railways producing locomotives and coaches, the cost per unit for these items has also gone up steeply.

6.94. In reply to a question to what extent it would be possible to handle the heavy increase in freight as well as passenger traffic during the Fifth Plan by optimising production in the existing units without undertaking any large scale expansion works and whether any plans had been prepared for modernisation/rationalisation of the Workshops and Sheds to enable handling of the increase rolling stock fleet, the Ministry of Railways have stated that expansion of existing facilities at Chittaranjan Locomotive Works would be necessary if the manufacture of Electric Locomotives is required to be stepped up to the original plan requirements (estimated at 400+57) carried forward from IVth Plan.

6.95. Due to reduced levels of traffic generated, however, production targets have been scaled down, hence obviating the need for expansion schemes.

6.96. With marginal facilities being provided, production potential at existing Production Units is as follows:—

Chittaranjan Locomotive Works . . . . .	65/70 Electric Locomotives+ 50 Diesel Locomotives.
Diesel Locomotive Works, Varanasi . . . . .	150 Diesel Locomotives (Broad Gauge+Metre Gauge).
Integral Coach Factory, Perambur . . . . .	350 coaches (including 144 EMUs).

6.97. Plans have been prepared for expansion schemes, but implementation has been delayed/held back because of—

- (a) constraint of funds for locomotive production and works programme items; and
- (b) tardy development of traffic and consequent reduction in Rolling Stock requirements.

6.98. Detailed plans have also been drawn up to augment capacity in workshops, sheds and sicklines for modernisation of existing units to enable handling of the increased holdings of rolling stock on Indian Railways.

6.99. The proposals envisaged an outlay of Rs. 218.5 crores, but these are subject to revision depending upon the allocation of funds.

The following broad planning was made—

	(Rs. in crores)
(i) Development of additional coaching stock repair capacity . . . . .	10.00
(ii) Additional Wagon repair shops . . . . .	32.00
(iii) Modernisation of workshops to achieve better productivity . . . . .	10.00
(iv) Provision of additional facilities in existing W/shops to cater to maintenance and overhaul of diesel locomotives . . . . .	15.00
(v) New Coach building unit . . . . .	4.5
(vi) Development of facilities for maintenance of Electric Locomotives . . . . .	10.00
(vii) Development of new diesel loco sheds . . . . .	14.00
(viii) Development of sicklines . . . . .	20.00
(ix) Diesel engine power pack manufacturing units . . . . .	30.00
(x) Wheel & Axle Plant . . . . .	21.00
(xi) Traction motor repair shop . . . . .	15.00
(xii) Steel Casting Plant for C.B.C. etc. . . . .	25.00
(xiii) Traction Gear Plant . . . . .	12.00
<b>TOTAL</b> . . . . .	<b>218.5</b>

6.100. Due to paucity of funds these plans have been scaled down Rs. 120 crores.

6.101. So far as the wagon requirements are concerned, the Ministry have stated that the capacity for wagon manufacture with private public sector units is adequate to meet the demands. Hence there is no proposal to expand the Railway Workshops for wagon manufacture.

6.102. The Committee note that in order to cater to the projected increase of 40 million tonnes of additional freight traffic (over the revised target of the Fourth Plan), 4 per cent increase per annum in non-suburban traffic and 5 per cent increase per annum in suburban traffic in the Fifth Plan period, the Railways would need 1,300 locomotives (400 electric and 900 diesel), 6500 coaches, 1050 EMUs, 50 Rail Cars and 1,00,000 wagons (both on additional and replacement accounts).

6.103. As stated earlier, the Planning Commission feel that with the additional stock to be procured during the Fifth Plan and with better utilisation of existing assets and improved working, the Railways can handle upto 300 million tonnes of freight traffic i.e. 20 million tonnes more than the present target. The Committee would like to emphasise that the additional stock would entail heavy capital investment of Rs. 900 crores with an annual dividend liability of about Rs. 54 crores and unless the stock is put to effective operational use, it would not achieve the underlying objective. The Committee would, therefore, like the Railway Board to keep under constant review the utilisation of the existing rolling stock and place orders for additional stock after making sure that the rolling stock already available with them and on order would be put to effective optimum use. The Committee would like the Ministry of Railways to lay down targets of engine and wagon utilisation for each Zonal Railway from time to time and keep a close watch on their performance in relation to such targets and take necessary remedial measures to rectify the shortcomings that come to notice.

6.104. The Committee note that there is a difference of opinion between the Railways and the Planning Commission regarding the cost per unit of rolling stock. It is evident that the prices of rolling stock are bound to increase if there is a general rise in prices. It is, therefore, all the more necessary that Railways should put their valuable rolling stock to the best use keeping the financial implications and constraints prominently in view.



6.105. The Committee note that Railways have been allotted a sum of Rs. 120 crores against the proposed ambitious outlay of Rs. 218.5 crores for augmenting capacity in workshops, sheds and sick-lines and for modernisation of the existing workshops. The Committee note that the proposals of the Railways also include setting up of some new manufacturing units, e.g. a new coach building unit, diesel engine power pack unit, wheel and axle plant, steel casting plant and traction gear plant, capacity for some of which already exists elsewhere in the public sector. In view of the constraint on resources, it is imperative that the capacity of the existing units is fully utilised and expanded, if necessary, to meet the requirements rather than incur very heavy expenditure on setting up new manufacturing units.

#### E. Line Capacity Works

6.106. It has been stated that the busy arterial routes which form only about 24 per cent of the route kilometrage carry about 72 per cent of the traffic and that the pressure on these routes will further increase during the Fifth Plan. The Committee, therefore, enquired about the steps the Ministry of Railways proposed to take to relieve congestion on these routes, the outlay involved on various schemes and the likely period during which this work is expected to be completed. The Ministry of Railways have stated that while it is true that the main trunk routes of the Indian Railways, both broad and metre gauges, carry the brunt of rail transport, it is also true that these routes have been developed over the successive plan periods to handle higher volume of traffic. In order to meet the situation various steps such as (i) diversion of traffic by alternative routes where available (ii) augmentation of the existing capacity by means of line capacity works such as conversion from metre gauge to broad gauge, additional crossing stations, improved signalling, doublings and (iii) change of motive power, dieselisation/electrification, to enable running of longer and heavier trains etc. are considered.

6.107. The Planning and development of line capacity is a continuous process. The various line capacity works proposed by the zonal railways, at their annual Works Programmes are considered at the Works Programme Meetings every year and are sanctioned subject to their justification and the availability of funds. A large number of works are in progress and new works will be sanctioned as and when justified by traffic considerations.

6.108. During the Fifth Five Year Plan, a sum of Rs. 500 crores has been allotted under the head 'Line Capacity Works'. Besides, an outlay of Rs. 110 crores has been fixed for 'signalling and Safety'

works, which includes provision for improved signalling, as aids to line capacity e.g. tokenless block and automatic block working and route relay interlocking. With this allocation, it is expected that depending upon the growth of traffic, adequate capacity would progressively be developed on the respective routes. The actual pace of work will also depend on the availability of resources from year to year.

6.109. The Committee called for details of the line capacity works to be executed in the Fifth Plan and the estimated expenditure on each one of them. In a note in this regard, the Ministry of Railways have stated that detailed planning of line capacity works is done to meet the requirements of traffic giving priority to the transport needs of the core sector of the economy viz. coal, steel, industry, iron ore for export, fertilizers, cement, petroleum products etc. It has not been possible so far to give a concrete shape to the 5th Plan of the Indian Railways for the development of the line capacity on account of the fact that the detailed plans for the other sectors of the economy have not been finalised and not only the planning of individual projects but even the overall physical and financial targets have been undergoing changes from time to time.

6.110. However, taking into account the projections of traffic to be offered by different sectors of the economy as furnished by the Planning Commission at the time of formulation of the 5th Plan, a list of projects which may have to be taken up in the 5th Plan was prepared and the same is given in Appendix XI). The estimated cost of these works on a very approximate basis came to Rs. 684.17 crores. Provision of Rs. 500 crores was made for line capacity works in the 5th Plan after taking into account the throw forward of the 4th Plan projects and the progress expected to be achieved on the 5th Plan projects.

6.111. The position regarding the firm commitments made so far for the line capacity works in the 5th Plan is as follows:—

“The throw forward of line capacity works approved in the 4th Plan is Rs. 222.71 crores. Works having total cost of Rs. 57.75 crores have been approved in 1974-75 Budget. A list of works included in 1974-75 Budget costing more than Rs. 10 lakhs each is placed at Appendix XII. Surveys are in progress for a number of line capacity works a list of which is placed at Appendix XIII. The proposals for the works in 1975-76 Budget are currently under consideration.”

6.112. The Committee enquired about the schemes drawn up for doubling of the trunk routes and the outlay provided therefor during

the Fifth Plan. The Ministry have stated that at the beginning of the Fifth Plan, work on doubling of about 536 Kms. on the trunk routes (connecting the four metropolitan cities of Delhi, Madras, Bombay and Calcutta) was in progress. The total estimated cost of these works is about Rs. 57.54 crores and the approximate outlay during the Fifth Plan (after taking into account the expenditure already incurred during the 4th Plan) is expected to be about Rs. 41.46 crores. The details of these schemes, with approximate cost, present targets and the balance single line portions are given in Appendix XIV.

6.113. The remaining single line portions will be taken up for doubling as and when development of traffic on the respective routes justifies the same.

6.114. The Committee enquired if the present capacity of the Marshalling yards would be adequate to meet the growing requirements of traffic during the Fifth Plan and if not, the details of schemes drawn up for implementation in the Fifth Plan, the outlay involved thereon and the financial return expected etc. The Ministry of Railways have replied that the development of the capacity of Marshalling Yards to meet the growing requirements of traffic is a continuous process. In view of the traffic target of 300 million tonnes fixed for the Draft Fifth Five Year Plan as against the actual materialisation of 185.2 million tonnes at the end of the Fourth Plan, it would be necessary to enhance the capacity of the major Marshalling Yards. An overall provision of Rs. 500 crores has been made in the Draft Fifth Five Year Plan for the line capacity working including yards.

6.115. Details of all the schemes for expansion of Marshalling Yard facilities that would be necessary have not yet been finalised as this would have to take into account the actual materialisation of traffic during the operation of the Plan. However, in addition to the yard works already in progress, yard expansion works costing more than Rs. 20 lakhs each along with percentage return sanctioned in the current year of the Fifth Five Year Plan are given below:—

Name of the Yard	Anticipated cost (Rs. in lakhs)	Percentage return
Junnardeo Yard . . .	42	11.6
Mazgaon Yard . . .	103	13.0
New Katni Yard . . .	74	22.0
Bhusawal Up Yard . . .	35	15.2
Gomoh Yard . . .	63	15.0
Ramagundam Yard . . .	21	10.7
Mandamari Yard . . .	34	10.36

6.116. The Committee note that an allocation of Rs. 500 crores has been made in the Railways' Fifth Plan for Line Capacity works and another Rs. 110 crores for improved 'Signalling and Safety' works. As detailed plans for the other sectors of the economy have not yet been finalised, the details of line capacity works, etc. which will be required have not been worked out.

6.117. The Committee observe that the busy arterial routes which form only about 24 per cent of the route kilometrage, carry about 72 per cent of the traffic. As pressure on these routes will further increase during the Fifth Plan, a number of schemes for augmentation of capacity by doubling, conversion, improved signalling, provision of additional crossing stations, extension of diesel/electric traction and expansion of marshalling yards, etc. are being progressed.

6.118. The Committee have, in an earlier chapter, emphasised the need for making an assessment of the traffic carrying capacity i.e. line and rolling stock capacity already built up by the Railways so that further investments could be made on a rational and scientific basis.

6.119. The Committee trust that the Ministry of Railways would obtain full details of the expansion schemes from the various economic Minister/Public Undertakings, etc. so as to ensure that the need for augmenting line capacity is fully established in each case before work is actually started.

In para 2.16 of their 22nd Report (Fourth Lok Sabha—1967-68) the Public Accounts Committee had observed:

"The Committee are not convinced by the explanation that efforts were made by the Railways to find the cheapest means to meet the anticipated increase in traffic. They regret to find that in the case of as many as 16 works including twelve works of doubling of tracks costing Rs. 27.03 crores, the capacity actually utilised in 1965-66 was less than the capacity available before the works were undertaken. The Committee strongly deprecate the tendency of the Railways to go in for works, including doubling of tracks, without critically examining their economics."

6.120. Again, in para 1.72 of their 120th Report (Fifth Lok Sabha—1973-74) the Public Accounts Committee have stated:—

"The Committee have been expressing concern over the inadequate utilisation of line capacity which accounts for

the bulk of Railways investments. The Railways regard 85 per cent utilisation of the chartered capacity as a signal for augmenting it. In view of over-capitalisation on Railways and the need to maximise the return, the Committee feel that the Railways should aim at better utilisation of line capacity.

The Committee, therefore, desire that all the lines where the utilisation of the line capacity is below the optimum level should be expeditiously identified and all out efforts made to attract more traffic failing which steps should be taken to cut down the expenditure on them without affecting its utility."

6.121. In the light of the foregoing, the Committee would like to lay particular emphasis on the imperative need to examine critically the financial implications of the line capacity works proposed to be undertaken in the Fifth Plan so as to ensure that investments on these fixed assets yield at least the minimum financial return. It is essential that detailed studies are made and meticulous planning done before such works are taken up. The Committee recommend that in cases of projects costing Rs. one crore and above, detailed linkages in regard to the projected level of traffic over each such line/section should be drawn up. Based on such studies, suitable priorities may be fixed and the progress of such works reviewed continuously so as to take corrective measures that might become necessary.

#### F. New Lines, restorations and conversion schemes

6.122. The Ministry of Railways have informed the Committee that out of the total provision of Rs. 100 crores for new lines in the Fifth Plan, the throwforward from the Fourth Plan was estimated at about Rs. 40 crores. The balance of Rs. 60 crores proposed under this head was to cover certain project-oriented lines considered necessary for movement of iron ore traffic for export (e.g. Banspani-Jakhpura line) and for movement of coal traffic e.g. Hiradagarh-Ghoradongri line in Pench, Valley and extension of lines in Pench, Singareni and Karampura fields.

6.123. According to the latest calculations, it appears that the amount earmarked for new lines would be insufficient even for the lines required for meeting the transport needs of the core sector and the firm commitments already made. The throwforward of the works from the Fourth Plan is now estimated at Rs. 79.83 crores and Rs. 81.28 crores are required for works included in 1974-75 Railways Budget. It may be mentioned here that repeated demands are being

made by the State Governments, Members of Parliament and others for construction of new lines in the economically backward areas for development purposes. Railways had accordingly requested the Planning Commission to earmark a sum of Rs. 255 crores outside Railways' normal Plan, for construction of these lines in various States. As most of these lines are bound to be unremunerative for the Railways, evolvment of satisfactory financial arrangement with the State Governments and exemption from the dividend obligation of the Railways from the General Revenues was considered necessary. Due to constraints of resources, the Planning Commission have not, however, been able to accept the Railways' suggestion and have not provided any specific amount for construction of new lines for developmental purposes. This is bound to put severe strain on the limited allocation of Rs. 100 crores for new lines approved for the normal Plan of the Railways.

6.124. The details of the projects in progress/sanctioned along with the total estimated cost, the schedule of construction, the likely date of completion and the expected return are indicated in Appendix XV.

6.125. The Committee have been further informed that a perspective Plan for conversion of certain selected M.G. lines to Broad Gauge was drawn up early in the 4th Plan period. The Plan envisaged conversion to B.G. of nearly 3,230 kms. of important arterial M.G. trunk routes where existing lines are running to near saturation limits. These conversions were planned to be completed in 10 to 15 years' time at an estimated cost of Rs. 230 crores. Actual work on conversion of the identified routes is, of course, to be undertaken after detailed surveys for assessing the traffic needs and financial implications involved in each case. The Sections included in the perspective conversion plan were as follows:—

S. No.	Name of Section	Length (in kms.)	Approx. Cost (Rs. in Crores)
1	2	3	4
1	Varanasi-Bhatni-Gorakhpur . . . . .	229.52	17.22
2	Barabanki-Gonda-Gorakhpur (including parallel B. G. line between Barabanki & Gonda) . . . . .	242.00	22.88
3	Virangam-Okha-Porbander . . . . .	556.00	43.65
4	Guntakal-Bangalore (including parallel BG line between Guntakal & Dharamavaram) . . . . .	280.00	17.08

Sr. No.	Name of Section	Length (in Kms.)	Approx. cost (Rs. in crores)
5.	Bongaigaon-Gauhati . . . . .	154.00	20.00
6.	Karur-Dindigul-Tuticorin (including new BG line between Madurai & Dindigul and parallel G line between Madurai & Cover Madurai-Tuticorin-Maniyachi-Tirunelveli).	324.00	17.863
7.	Bhatni-Barauni-Katihar . . . . .	472.00	32.00
8.	Samastipur-Raxaul via Muzaffarpur of Dharbharg . . . . .	188.00	11.00
9.	Ernakulam-Quilon-Trivandrum . . . . .	221.00	13.60
10.	Miraj-Londa-Hospet-Murmugao and Alnavar-Dar celi	565.00	33.00
Total . . . . .		3231.52	228.29

6.126. Later developments have resulted in change of pattern of traffic and the following conversion may not be necessary in the near future:—

Varanasi-Bhatni—162 kms. (part of item 1).

6.127. Keeping in view the changed circumstances, items 1, 2 and 7 covering 943 kms. were modified suitably and a single conversion project of Barabanki-Samastipur M.G. line covering 573 kms. was sanctioned.

6.128. In the 4th plan, the following 5 conversion projects covering 1529 kms. were sanctioned. The last one (item v) is not covered by the Perspective Plan, and was sanctioned as drought relief work in Maharashtra.

	kms.	Estimated Cost (Crores of Rs.)
(i) Barabanki-Samastipur . . . . .	573	47.12
(ii) Viramgama-Okha-Porbander . . . . .	556	42.93
(iii) Bangalore-Guntakal . . . . .	280	17.59
(iv) Ernakulam-Quilon Trivandrum . . . . .	226	13.33
(v) Manmad-Purli-Vajjnath . . . . .	335	28.0 (Approx.)
Total . . . . .		148.97

6.129. Against the sanctioned cost of Rs. 148.97 crores for these 5 conversions, Rs. 20.01 crores were spent in the Fourth Plan period, the balance Rs. 128.96 crores being thrown forward to 5th Five Year Plan.

6.130. Detailed proposals for 5th Plan have not yet been finalised, nor have the project-wise allocations been decided on. In the first year of 5th Five Year Plan, however, the following conversion projects have been sanctioned:—

	Kms.	Approx. cost
		(Rs. in crores)
Samastipur-Darbhanga . . . . .	38	4.70
Bongaigaon-Gauhati . . . . .	160	24.79
Guntur-Macherla . . . . .	130	8.21
	328	37.70

Bongaigaon-Gauhati is included in the Perspective Plan, while the other two have been sanctioned for development of the backward areas.

6.131. In reply to a question, the Ministry have stated that no *inter-se* priorities for the conversion projects in the 5th Five Year Plan have been laid down. Rs. 167.70 crores will be required if the eight sanctioned projects covering 1875 kms. are to be completed in the 5th Plan period.

6.132. Asked about the expected return from these projects, the Ministry of Railways have stated that out of the 8 conversion projects carried over from the 4th Five Year Plan and sanctioned in the first year of the 5th plan, seven have been surveyed and survey is in progress for the eighth one. The position regarding cost and expected return on investments is as shown in Appendix XVI.

6.133. The Committee understand that out of the total provision of Rs. 100 crores for new lines, the throw-forward of the works from the Fourth Plan earlier estimated to cost about Rs. 40 crores, is now estimated to cost as much as Rs. 79.83 crores and that the amount earmarked for new lines would be insufficient even for lines required for meeting the transport needs of the core sector, not to speak of providing lines in backward areas for which there is persistent demand on the Railways.



6.134. The Committee further understand that the perspective plan for gauge conversion drawn up early in the Fourth Plan period envisaged conversion of 10 sections of important arterial MG trunk routes into BG with a total length of, about 3,230 Kms. Of these, 5 sections covering 1528 Kms. were sanctioned at an estimated cost of about Rs. 149 crores in the Fourth Plan while during the first year of the Fifth Plan, another 328 Kms. have been sanctioned for conversion at an estimated cost of Rs. 37.70 crores. The total estimated cost of these 8 conversion schemes is, therefore, about Rs. 187 crores of which nearly Rs. 20 crores were spent in the Fourth Plan period.

6.135. The Committee note that out of these eight lines only one line would be financially remunerative, two will be marginally remunerative while two others will become remunerative only with 25 per cent to 50 per cent inflation of charges. In the case of one line i.e. Manmad-Purli-Vaijnath, the return has not been ascertained yet. The remaining two lines will be clearly unremunerative and have been sanctioned for development of backward areas.

6.136. The Committee propose to deal with the question of criteria to be followed in construction of new lines/conversion schemes along with the allied question of granting relief to the Railways from dividend liability on such investment, in their Report on Social Burdens.

## CHAPTER VII

### OTHER ANCILLARY MATTERS

#### A. Utilisation of Wagons

7.1. The Committee have been informed through a knowledgeable source that if the Railways Ministry's annual booklets entitled 'Indian Railways' for the years 1970-71 and 1972-73 are compared, it will be seen that the wagon turn-round for 'Indian Railways' as a whole has gone up by about 2.5 days, both on the broad and metre gauge. The Indian Railways own over 2,70,000 broad gauge and about 90,000 metre gauge wagons. The latter are considered equivalent to 60,000 B.G. wagons in the customary ratio of 3 : 2. Thus, the Railways may be said to have 3,30,000 B.G. wagons. Allowing that a permissible 3 per cent of the wagons remain unfit on an average, the Railways have an effective fleet of 3,20,000 fit wagons. Since, because of sluggish movement, the turn round has gone up by 2.5 days (both on B.G. and M.G.), the Railways are losing  $3,20,000 \times 2.5 = 8,00,000$  wagon days every 13.5 days.

7.2. The following table shows the turn-round of wagons in terms of days for the last 13 years both for B.G. and M.G.:—

Years	B. G.	M. G.
1961-62	11.5	8.34
1962-63	11.2	8.35
1963-64	11.0	8.29
1964-65	11.9	8.56
1965-66	11.8	8.41
1966-67	12.3	9.03
1967-68	12.6	9.54
1968-69	12.7	9.69
1969-70	12.6	9.41
1970-71	13.3	10.1
1971-72	13.5	10.6
1972-73	13.5	10.8
1973-74	15.0	12.4

7.3. Explaining the reasons for deterioration in this regard, the Ministry of Railways have stated in a note that wagon turn-round represents the interval between two successive loadings of a wagon. It is calculated by dividing the daily average of effective wagon holding by the average wagon loading and it thus expresses the ratio between the total number of serviceable wagons and the number of wagons loaded. In the turn round ratio the loading aspect of the performance is emphasised while the actual movement aspect is relatively secondary. If for any reasons the loading drops the turn round ratio will come up. The wagon turn round ratio should, therefore, be viewed in relation to other allied statistics which ultimately influence the incidence of loading such as:—

- (i) Lead of traffic;
- (ii) Incidence of empty haulage;
- (iii) Traffic density;
- (iv) Speeds of goods trains;
- (v) Time spent in loading and unloading;
- (vi) Detention to wagons at goods sheds, transshipment points, yards, sick lines and shops;
- (vii) Seasonal fluctuations in demands;
- (viii) Idling of special type of stock put in service for catering to specific streams of traffic such as steel plants, export ores, mineral oils etc.

7.4. Wagon turn round is thus an empirical formula and is at best a rough and ready guide to determine the wagon holding of individual railways. It cannot be taken to be conclusive index of wagon utilisation as it does not reflect the lead of traffic which necessarily increases the interval between the two successive loadings and overall holding, nor the increased proportion of special type of stock which involves more empty haulage nor the increased traffic of big industrial units like steel plants and ports which enjoy higher free time nor the sluggish movements on saturated sections before adequate line capacity works are developed, nor the hold ups due to extraneous factors like public interference in train running, strikes, bundhs etc.

7.5. The table below shows the wagon turn round on the B.G. and M.G. in juxtaposition with the average lead of traffic for the period 61-62 to 72-73. It will be seen that on the B.G., the wagon

turn round varied between 11 and 11.9 between 61-62 to 65-66 and then there was a sharp increase and the turn round varied between 12.3 to 12.7 between 66-67 and 69-70, when again another increase was registered and the turn round varied between 13.3 and 13.5 during 70-71 and 72-73. The same trend is observed in M.G. also where the turn round varied between 8.29 and 8.56 between 61-62 to 65-66, between 9.03 to 9.69 between 66-67 and 69-70; and 10.1 to 10.8 between 70-71 and 72-73.

Year	Broad Gauge		Metre Gauge	
	Turn-round	Lead	Turn-round	Lead
1961-62	11.5	556	8.34	344
1962-63	11.2	558	8.35	347
1963-64	11.0	547	8.29	353
1964-65	11.9	539	8.56	349
1965-66	11.8	556	8.41	368
1966-67	12.3	555	9.03	379
1967-68	12.6	581	9.54	395
1968-69	12.7	582	9.69	411
1969-70	12.6	585	9.41	409
1970-71	13.3	615	10.1	422
1971-72	13.4	641	10.6	447
1972-73	13.5	643	10.8	469

7.6. The broad reasons for the increase in the turn round are as under:—

- (a) A progressive increase in the lead of traffic both on the Metre Gauge and Broad Gauge. By and large, barring minor variations, wagon turn round has been increasing with the lead of traffic as the interval between successive loading increases with the increase in the average lead of traffic.
- (b) During September, 1964, nearly 20,000 Broad Gauge and 3000 Metre Gauge wagons remained unutilised on the railways as a result of overall drop in demands which actually sharply increased the wagon turn round, both on Broad Gauge and Metre Gauge. During 65-66 there was some revival in traffic potential but a set-back was caused

due to heavy Defence requirements as a result of Indo-Pak hostilities, both in the Western and Eastern borders.

- (c) The economic recession in the country in 1966-67 brought in its wake a depression in the level of traffic offering resulting in less loading. In the following year viz. 67-68 coal loading was affected due to a dispute in the price of coal.
- (d) Right from 65-66 there has been a progressive increase in the number of special type of stock like bogie wagons and tank wagons. The increase in the number of wagons in units is shown in the table below:—

Year	Wagon holdings in units on the last day			
	Broad Gauge		Metre Gauge	
	Bogie	4-wheeler	Bogie	4-wheeler
1965-66	35,898	221,332	22,123	68,784
1970-71	52,858	217,852	23,548	67,069
1971-72	45,939	215,658	23,936	65,630
1972-73	57,484	216,400	24,297	64,280

7.7. These bogie wagons are meant generally for movement of special types of traffic and cannot be used as general service wagons except the BCX and to some extent BOX wagons. The utilisation of such stock involves a certain amount of empty haulage from unloading points back to the loading points and this empty haulage affects the overall turn-round of wagons. The tank wagon fleet has been steadily increasing both on the Broad Gauge and the Metre Gauge over these years. For these wagons also no return load is available and they have to be hauled empty from the unloading points to loading points, increasing the average turn-round of wagons.

- (e) An important factor affecting the wagon turn round is the performance of steel plants, ports etc. which handle a large number of these wagons. Over the years there has been a significant increase in the number of wagons handled at steel plants, ports etc. which enjoy a higher free time and thus cause higher detention to wagons thereby increasing the interval between successive loadings.

(f) The increase in wagon turn round from the year 70-71 both on Metre Gauge and Broad Gauge is largely attributable to disturbed working conditions on the railways. Extensive anti-social activities affected the working of the railways during 70-71 resulting in numerous cases of theft of overhead electric wires, communication cables, signalling equipment, wagon parts etc.; there were a number of cases of attacks on running trains and assaults on railway staff; there were a series of bundhs and strikes crippling the movement of traffic. All these factors contributed to the demoralisation of railway staff, who had to work under unprecedented pressure. During 1971-72 large emergency movements were undertaken by the railways in connection with the Indo-Pak war which necessitated running of a large number of refugee specials and white hot and red hot priority moves having an adverse impact on the movement of goods traffic and inflated detentions to wagons in yards and stations *en-route*. Turn round of wagons continued to suffer on this account. During 1972-73 there was some improvement in the law and order situation in the eastern sector, but this was more than offset by large scale power-shedding in that area. No improvement could be brought about as a number of agitations, most of them totally unrelated to railway working such as student agitations in Punjab, language agitations in Assam and Mulki agitations in Andhra Pradesh continued to affect the working conditions on the railways and resulted in large scale immobilisation of wagons on the Broad Gauge and Metre Gauge.

7.8. From the above table it would be seen that out of 2.3 days' increase in wagon turn round, 1.6 days are accounted for by increase in lead itself, which goes to prove that the increase in lead has got a very substantial impact on the turn round of wagons.

7.9. As to the effect of increase in lead on earnings per loaded wagon-km., the Ministry have stated that with increase in lead, the rate remaining the same, the earning per tonne or per wagon increase but earning per tonne kilometer, or per loaded wagon-kilometre decreases. This is because the freight rates are telescopic, i.e. the per-tonne-per-kilometre charge decreases or tapers off as the distance increases.

7.10. In reply to a question whether the Railway Board had calculated the amount of loss of revenue to the Railways on account of

deterioration in the wagon turn round, it has been stated that no attempt has been made to assess the loss of revenue on account of increase in wagon turn-round, as the earning potential of wagon is not dependent on the turn-round time only, but on a variety of other indices, such as the "net tonne kilometres per wagon day", the mix of the traffic, etc. and it is not possible to separately assess the effect of each one of these on the earning potential of wagons.

7.11. The Committee enquired if the Railways had studied the beneficial impact on the turn-round of wagons, of measures taken during the plan periods such as dieselisation, electrification, doublings, improved signalling and tele-communication facilities, increased movement in block rakes etc. and if so, why in spite of all these measures the Railways had not been able even to keep up to the level of performance attained in 1960-61. In a note on the subject, the Ministry have stated that the following are the important indices relating to the quantum of traffic moved and some relevant efficiency factors:—

	1960-61	1965-66	1970-71	1972-73	1973-74
Revenue earnings traffic (million tonnes)	119.8	162	176	175.3	162.1
Total traffic (million tonnes)	156.2	203	195.5	201.3	184.9
Average lead of traffic (kms)	561	576	648	678	662
Net tonne kilometres in revenue earning traffic (in millions)	72333	98978	110696	121164	109391
Net tonne kilometres of total traffic (in millions)	87680	116936	127358	136542	122354
Net tonne kms. per route km. per annum.	2467	3404	3611	3804	N.A.
Net tonne kms. per goods locomotive day in use (BG)	65011	75762	85083	90517	88288
Speed of goods trains (BG)	16.1	16.4	17.9	18.0	18.3
Wagon Turn Round (BG)	11.2	11.8	13.3	13.5	15.0
(MG)	N. A.	8.41	10.1	10.8	12.5

7.12. It may be seen that the quantum of traffic carried and the efficiency of performance during 1972-73 has shown marked improvement over 1960-61. This improvement has been possible only due to the various benefits accruing from dieselisation, electrification, doublings, improved signalling and tele-communication facilities,

increased movement in block rakes etc. It would not be correct to compare the performance of 1960-61 with 1972-73 only in respect of wagon turn-round of any other single index without correlating it to other related indices. In fact, during 1972-73, revenue earning traffic lifted has been the highest ever. Net tonne kilometre which is the most comprehensive index and combines both the mobility and the load elements and thus gives the earning potential of a wagon, has also been the highest ever during 1972-73.

*Effect of increase in lead on wagon turn-round and earnings*

7.13. The Committee pointed out that the average lead of traffic had gone up from 561 kms. in 1960-61 to 678 kms. in 1972-73. They inquired if the Ministry had undertaken a detailed analysis of this rising trend in the lead of traffic so as to ascertain its precise impact on the turn round of wagons and the earnings per loaded wagon km. The Ministry have replied that no detailed analysis has been made to ascertain the precise impact of the increase in lead on the turn-round of wagons and earnings per wagon km. However, a broad assessment of the impact of increase in lead on the wagon turn-round and earnings per wagon kilometre is furnished below.

7.14. While increase in lead contributes substantially directly to the increase in turn-round, by way of extra time needed to cover the additional distance, it is necessary to bear in mind that there may also be secondary and tertiary effects of the increase in lead, in that the wagons may have to be handled at additional intermediate yards, which inevitably involve extra detention *en route*. The actual mobility of wagons as measured by wagon-kms. per wagon-day takes these factors into account. The extra turn-round of wagons to cover the increased lead can be broadly taken as the additional lead divided by the average wagon mobility.

7.15. The effect of increased lead overturn-round of wagons can be illustrated by the following table:—

Lead in 1960-61 . . . . .	561 kms.
Lead in 1972-73 . . . . .	678 „
Increased in lead . . . . .	117 „
Wagon kms. per wagon day in 1972-73 (B.G.) . . . . .	74.4 „
Extra turn-round of wagons to cover the additional lead of 117 kms. . . . .	1.6 days
Actual wagon turn-round in 1960-61 (B.G.) . . . . .	11.2 „
Actual wagon turn-round in 1972-73 (B.G.) . . . . .	13.8 days
Increase in 1972-73 over 1960-61 . . . . .	2.3 „



7.16. In reply to a question about the measures that are proposed to be taken to effect improvement in the turn-round of wagons in the Fifth Plan, and the approximate saving likely to be effected in the number of wagons as a result of improvement in the turn-round position, the Ministry have stated that the various steps/conditions required for improvement in the wagon turn-round on the Railways, during the Fifth Plan, as indicated to the Planning Commission are listed below:—

- (a) Movement of bulk commodities like coal, ores, foodgrains, iron and steel, cement, fertilizers and POL Products should be organised in block rakes from the originating point to destination. This will involve provision of adequate siding and mechanical loading/unloading facilities at the originating and the terminating points and would necessitate distribution to petty consumers by road within a range of 150 to 200 kms. In the case of coal, mechanical arrangements for loading block rakes need to be provided by all collieries producing over 10,000 tonnes per month and movements in block rakes are required to be arranged for the consumers taking 1500 tonnes of coal or above per month. Linking of the bulk consumers to individual collieries/washeries to facilitate block rake movements also needs to be arranged. For the small consumers, setting up of coal dumps at important consuming centres will also be necessary. As regards ores, the present manual handling of float ores needs to be replaced by mechanical loading in full block rakes. Stock yards also need to be set up at focal points to take the finished products of steel plants in block rakes.
- (b) Movement pattern particularly of coal, POL products, fertilizer and cement needs to be rationalised to avoid wasteful cross-movements and/or avoidable long leads. Future cement plants and fertilizer factories need to be distributed all over the country as close to the consuming centres as possible.
- (c) Loading of bulk commodities needs to be spread evenly on all days in the year and for this purpose sufficient stock-piles have to be kept at collieries and mines to make up for short raisings during the monsoon. Similar stock-piling facilities need to be provided for other commodities also both at the loading as well as unloading ends.
- (d) All industries and bulk handling points must load and unload wagons within the scheduled free time as the wagon

procurements are based on these schedules and non-observation of the stipulated free time is bound to lead to shortage of wagons.

- (e) Amongst other important factors that affect railway operations and consequently the turn-round of wagons are the general law and order situation in the country and the state of industrial relations in the country in general and on the Railways in particular. Railway operations during 1973-74 were plagued by acute conditions of industrial unrest on the Railways which very adversely affected the railway operations and these, in turn, had adverse effect on the turnround of wagons. Similarly, from time to time, railway operations were also put under severe strain and were dislocated on account of bandhs, strikes and other similar agitations in various parts of the country. All these factors have a very vital bearing on the functioning of the Railways and the net result of these is to slow down movements and consequently reduce the availability of wagons for loading of freight traffic.

7.17. From amongst the list of above points such of the factors as are within the control of the Railways are being tackled by the Railways themselves. But, as would be observed, most of the factors are those where action is required to be taken by agencies other than the Railways. For example, for setting up of the steel stock yards at focal points action is required to be taken by the Steel Authority of India. Similarly, for provision of mechanical loading arrangements in the collieries for loading coal traffic, action is required to be taken by the CMAL and BCCL. Setting up of coal dumps at important consumption points is an area where action lies within the jurisdiction of State Governments. For all these points, therefore, the Railways have advised these agencies to initiate necessary action and the Planning Commission have also been requested to help. Unfortunately, however, not much progress in the direction envisaged has been made. There is no doubt that recently, steel stock yards have been set up at some of the new locations which has helped in arranging movement of finished products of steel plants in block rakes. But the progress in respect of other items is not satisfactory. Railways have also worked out a rationalisation scheme for loading of coal traffic which envisages reduction in the number of the loading points and provision of arrangements for block rake loading in certain colliery sidings. This matter is being pursued with the Department of Mines who are concerned with the same.

7.18. The requirements of wagons for handling the targeted traffic during the Fifth Plan have been worked out by the Railways on the assumption of achieving a turn-round of 12.1 days on the broad gauge.

This turn-round is considerably lower than the actual turnround achieved in the previous years, i.e. 13.5 days in 1972-73 and 15.0 days in 1973-74. Should the turn-round of wagons not come down as envisaged, the additional stock proposed to be procured will not be able to handle the targeted traffic. Conversely, another 40 to 45 thousand wagons may be required to handle the traffic targeted for the Railways if the turnround of wagons remains at the level achieved in 1972-73.

7.19. According to the data given in the supplement to Indian Railways Report & Accounts (1973-74), the daily average number of wagons in sicklines and under repairs and their percentage to the average total number of wagons on line daily during 1972-73 and 1973-74 was as follows:

Year	Average number of unservicable wagons daily (in terms of 4-wheelers)			
	In Mechanical Work-shops.		In Sicklines and Transportation workshops	
	No.	Percentage to average No. on line daily	No.	Percentage to average No. on line daily
1972-73	2059	0.93	10,524	3.20
1973-74	2814	0.83	11,925	3.53

7.20. The Indian Institute of Management, Ahmedabad have made the following observations in their Report on "Marketing approach to freight Earnings of Indian Railways—A study of Western Railway":—

"The paradox of wagons shortage seems partially to result from the control systems and performance appraisal procedures followed by the Railway Board and the Zonal Railways in respect of wagon balances at the various interchange points inter and intra railways..... It seems

that the phenomenon of wagon shortage was caused by the rules of operating system which did not take into account the nature of imbalances between inward and outward traffic determined on the basis of station by station analysis".

7.21. The Institute are, therefore, of the view that "a Centralised Data Bank Centre which will keep a 'tab' on wagon movements, at least on selective basis 'hooked on' to tele-communication service, can update the existing system by many years."

7.22. Asked to give their comments on the above observations, the Ministry of Railways have stated that wagon availability for trade is a function of both the physical number of wagons available with the railways as well as their turn-round i.e. the time lag between two successive loadings of the same wagon. This time lag between two successive loading is again dependent upon the speed with which these wagons move as well as the speed with which they are dealt with at loading and unloading terminals. Speed of movement of wagons depends upon length over which they move, the number of marshalling yards they have to pass, the type of traction used etc. The manner of dealing with wagons after placement at loading and unloading terminals is a matter, more or less, outside the control of railways and is dependent entirely on loading and unloading performance of users.

7.23. Railways, while planning for wagon provisioning, take into account a certain pattern of movement and the requirement of wagons is calculated on the turn-round arrived at on the basis of this pattern. Any factor that affects this turn-round adversely, tends to upset the railways' calculations about wagon requirements and this is what had happened during the fourth plan period. Right from the last quarter of 69-70 till the end of the Plan there were various factors which affected railway working like bundhs, agitations, staff strikes, power cuts, unhealthy trade practices holding up wagons at loading and unloading points creating an artificial shortage of wagons while no shortage would have been felt under normal conditions of working. Thus, the shortage of wagons has not been caused by any defective rules in the operating system which are continuously being reviewed and updated. A constant study of inward and outward traffic flows from stations and yards actually forms the basis of operating controls on movement. The existing system in force has been developed over the years and modernised to keep with changing conditions and embodies the latest techniques where the needs of traffic require this.

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7.24. In reply to question about the present mechanism for keeping a watch on wagon movements at different levels of the Railway administration and how it ensured timely feed-back of information to enable operational planning in an effective manner and whether the setting up of a Centralised Data Bank Centre, as suggested above, would be helpful, the Ministry have stated that the Railway Board's Computer Centre is connected with 47 Broad Gauge Inter-Railway Interchange Junctions and 4 additional Reporting Yards by means of an All India Teleprinter network. Information regarding the goods trains passing through these junction points are relayed to the Computer centre. This information is processed and the movement particulars of about 28,000 wagons are stored daily on a magnetic tape. Over the period of a month, these movement particulars are sorted in the Owing Railway and Wagon Number Sequence and the history is printed once a month. Copies are sent to Madras for the use of the Southern and South Central Railways, to Bombay for the use of Western and Central Railways, to Calcutta for the use of Eastern and South Eastern Railways and to I.R.C.A. for the use of I.R.C.A. and the Northern Railway. This listing is found to be very useful for tracing of wagons. This list is also helpful in connecting unconnected wagons lying in major yards.

7.25. As far as operational planning is concerned, important operational statistics such as junction interchanges, loading of important commodities, supply for coal loading etc. are collected daily on the telephone through a special cell of the Railway Board. On the basis of this data and in discussion with separate zonal Railways, day-to-day operational planning is done at the Railway Board level.

7.26. Similarly there is a Central Control Organisation in every Zonal Railway Headquarters which collects the necessary data on the telephones. Operational planning is done with the help of these data and in discussion with different divisions. Divisions have a similar set up where the details are collected by the Control offices. The present method ensures proper feed back information for day-to-day operational planning.

7.27. Setting up of a centralised data bank centre will be useful to the extent that it can supply information for analysis and study when specific problems are taken up. It can also help as indicated earlier, in tracing wagons and connecting unconnected wagons. As far as day-to-day planning of operational work is concerned, the present method of obtaining information from the vital centres like yards and loading points through the telephones, meets the requirements.

7.28. The Committee note that the wagon turn-round represents the interval between two successive loadings of a wagon. The faster the movement, the less the turn-round time. The Committee observe that the position regarding turn-round of wagons has shown persistent deterioration over the last 13 years both on the broad gauge and the metre gauge in so far as it has gone up from 11.5 days in 1961-62 to 15 days in 1973-74 on the broad gauge and from 8.34 days to 12.5 days on the metre gauge. Even conceding that 1973-74 was an abnormal year for the Railways, the deterioration is still of the order of 2 days on the broad gauge and about 2.5 days on the metre gauge on the basis of 1972-73 figures.

7.29. The Committee note that wagon turn-round is not the only conclusive index of wagon utilisation and that other factors such as the lead of traffic, the incidence of empty haulage, traffic density, the speed of goods trains, speed of loading and unloading operations, detention to wagons at various points, seasonal difficulties etc. are also to be taken into consideration. The Committee note that several other factors such as heavy detentions to wagons in the steel plants, ports etc. (which even otherwise enjoy a higher free time), the general deterioration in the law and order situation in the country, particularly in the Eastern region and the staff agitations on the Railways themselves have also affected the mobility of wagons in recent years. The Committee, however, consider that there is also a positive side to this picture which needs to be emphasised and that is the heavy investments made by the Railways on acquisition of better traction power, higher capacity wagons, more sophisticated signalling and tele-communication facilities, modernisation and expansion of marshalling yards etc., which were intended to help the Railways in improving their operational efficiency in all directions. The Committee are, therefore, of the view that the deterioration in the turn round of wagons, even as a rough and ready guide of railway efficiency, is a pointer to the deeper malaise from which the Railways are suffering i.e. their failure to put to optimum use and obtain best results from their assets, both human and material.

7.30. The Committee consider that many of the difficulties listed above could be got over or at least their impact minimised with more detailed planning, better deployment of resources, stricter supervision and closer co-ordination with other Government agencies etc.

7.31. The Committee note that a reduction in the turn-round of wagons is envisaged from 15 days at present to 12.1 days on the

broad gauge during the Fifth Plan. This is clearly an admission of the fact that considerable improvement in this regard is called for and must be effected.

7.32. Of the various measures that are proposed to be taken to improve wagon turn-round, the Committee would like to place emphasis on the rationalisation of movement of bulk commodities such as coal, POL products, fertiliser, cement etc. so as to avoid wasteful cross movements and/or longer leads. In fact, this task should have received urgent attention in the Fourth Plan itself when the Railways were beset with a number of operational difficulties.

7.33. The Committee urge that definite linkages should be established without delay in the matter of supplying raw materials to and movement of finished products from all major public and private undertakings in the country so that the available transport capacity is put to optimum use.

7.34. The Committee note that the Railways would require at least 40,000 to 45,000 wagons over and above their present estimate of 1,00,000 wagons should the turn-round of wagons not come down as envisaged. The Committee feel that the wagon turn-round goes up because of sluggish movement resulting in the loss of a number of wagon-days.

7.35. The Committee trust that the Railways will make all out efforts to improve the utilisation of wagons so as to achieve the target that they have set unto themselves. The Committee would like this effort to be directed not only at improvement on the broad gauge but on the metre gauge as well. As the turn-round of wagons on the metre gauge has deteriorated from 8.34 days in 1961-62 to 12.5 days in 1973-74, definite targets for improvement of the turn-round in this case as well should be prescribed for implementation within the Fifth Plan period.

7.36. The Committee would like to be informed of the measures taken and results achieved in this direction at an early date.

7.37. The Committee observe that the percentage of wagons in sickness and under repairs in Mechanical/transportation workshops to the average total No. of wagons on line daily as in 1973-74 was 4.36 as against 4.13 in 1972-73. The Committee consider the percentage of ineffective wagons to be rather on the high side. They would urge that concerted efforts should be made to reduce the same by toning up the functioning of the repair workshops.

7.38. The Committee further suggest that research on improving the pay-load of wagons should be intensified. A comparative study of the position in this regard obtaining in some of the advanced foreign countries might be useful. The Committee would like the efforts made and results achieved in this direction to be specifically mentioned in the Annual Reports of the Ministry.

7.39. So far as the question of keeping a watch over wagon movements is concerned, the Committee note that the Ministry of Railways are agreeable to the suggestion of the Indian Institute of Management for setting up a 'Centralised' Data Bank Centre which would be of help in tracing wagons and connecting unconnected wagons and will also be able to supply information for analysis and study when specific problems are taken up. The Committee would like the Railways to come to conclusion without delay and take concrete measures for bringing about better utilisation of wagons.

### B. Marketing and Sales Organisation

7.40. It has been stated in the Indian Railways Year Book for 1973-74 that "Railways and the road together meet more than 95 per cent of India's inland transport requirements. Railways are better suited for high-volume bulk commodity operations while road transport has an advantage in short distance movement of goods and as a feeder service consolidating 'smalls' traffic at important rail terminals. Likewise, road transport provides a better service for short distance travel and the Railways for long distance passenger traffic. Since 1950-51 the share of road transport in traffic handled by the two modes has increased substantially. From 10.2 per cent in 1950-51, road transport's share in goods traffic in terms of tonne-kilometres went up to 34.7 per cent in 1973-74".

7.41. The following table illustrates the position:—

*Share of road and rail transport in goods traffic (%) :—*

	Road	Rail
1950-51 . . . . .	10.2	89.8
1955-56 . . . . .	19.1	80.9
1960-61 . . . . .	16.2	83.8
1965-66 . . . . .	22.5	77.5
1968-69 . . . . .	24.2	75.8
1973-74 . . . . .	34.7	65.3



7.42. In the context of the above data, the Committee enquired about the functioning of the Marketing and Sales Organisation on the Railways and the steps being taken to revitalise it. In a note on the subject, the Ministry of Railways have stated that the Marketing and Sales Organisation was set up in 1967. The functions of this organisation are to conduct market research, canvass additional traffic for Railways, study the pattern of movement of traffic by road and rail, maintain close liaison with trade and industry and provide as far as possible a customer oriented service. This organisation watches the trend of movement of selected commodities, analyses reasons for fall where noted and initiates action to retrieve the position.

7.43. The activities of this organisation are being reviewed from time to time. Door to door services through container services, freight forwarder schemes, collection and delivery services, etc. have been expanded/extended, based on the needs of users. A brief account of the activities of this organisation and the results of various measures adopted are given below.

7.44. As a result of the special watch kept on the movement of 47 selected high profit yielding commodities, the originating tonnage and earnings and share of these commodities to total revenue earnings goods traffic showed an upward trend upto 1971-72 as could be seen from the following figures. There was, however, a set-back in the latter half of 1972-73 and in the first half of 1973-74 due to a variety of reasons beyond the control of Railways, such as Locomen's strike on Southern Railway, dislocation of train services on Southern and South Central Railways on account of Mulki/Andhra agitations, power shedding in Tamil Nadu, breaches on Western and S.E. Railways, etc. in 1972-73 and strikes and agitations in the first half of 1973-74.

Year	% variation over the previous year in originating tonnage & earnings		Percentage of selected high rated commodities to total revenue earning traffic	
	Tonnage	Earnings	Tonnage	Earnings
1969-70	..	..	5.8	14.6
1970-71	+4.3	+10.7	6.1	15.5
1971-72	+10.1	+12.3	6.7	15.9
1972-73	-2.6	-0.2	6.3	15.0
1972-73 (Upto Sept.)	..	..	7.0	16.8
1973-74 (Upto Sept.)	-7.1	-9.5	6.8	15.6

7.45. With a view to providing door to door, fast, pilfer-proof and damage-free service to the users, the container services were introduced for the first time in India in 1966 between Bombay and Ahmedabad. The service became popular with trade and industry and was gradually extended to more routes over the years and is now available between 11 pairs of points viz:—

Bombay-Ahmedabad . . . . .	Bombay-Secunderabad
Bombay-New Delhi . . . . .	Bombay-Bangalore
Madras-Bangalore . . . . .	Calcutta-Madras
Bombay-Madras . . . . .	Bombay-Calcutta
New Delhi-Calcutta . . . . .	Bombay-Kota
New Delhi-Madras/Bangalore.	

7.46. The progress made by the service can be seen from the following figures:—

Year	No. of containers Loaded	Gross freight earnings in Lakhs of Rs.
1966-67 . . . . .	1864	3.68
1967-68 . . . . .	3540	9.34
1968-69 . . . . .	9306	34.94
1969-70 . . . . .	20484	73.14
1970-71 . . . . .	25585	97.98
1971-72 . . . . .	31880	143.72
1972-73 . . . . .	28759	140.60
1972-73 (Upto Sept.) . . . . .	14629	69.82
1973-74 (Upto Sept.) . . . . .	14042	72.89

7.47. The Marketing & Sales Organisation has been exploring the possibilities of extending the container services, besides expanding the existing ones, through their contacts with trade and industry and prospecting of traffic. Additional equipments by way of containers, flats and road units have been provided in rolling stock

programmes, to meet the increased traffic load on the existing services and traffic anticipated on new services.

7.48. Another important step taken by the organisation toward providing an efficient door to door service was the introduction of freight forwarder scheme in wagons. Under this scheme, freight forwarders are appointed by Railways for collecting less than wagon load consignments from the customers and offering them as wagon load for carriage between selected pairs of railway terminals at a lumpsum rate competitive to road routes, per 4-wheeled wagon fixed by Railways. The scheme was first introduced in July, 1969 between Bombay and Calcutta and Madras and Calcutta. The merits of the freight forwarder scheme are elimination of handling of 'smalls' consignments by Railways at booking and destination stations as also *enroute* leading to elimination of chances of pilferage, damage, etc. and reduced transit time besides being able to secure better payload per wagon.

7.49. The scheme gained wide popularity with the trade and industry over the years and is now available between 56 pairs of points. The number of wagons loaded and freight earned increased phenomenally over the years as could be seen from the following figures:—

Year	No. of wagons loaded	Freight earned
1969-70 . . . . .	496	Rs. 12.32 lakhs.
1970-71 . . . . .	2315	Rs. 60.28 lakhs.
1971-72 . . . . .	4416	Rs. 124.00 lakhs.
1972-73 . . . . .	8886	Rs. 242.20 lakhs.
1973-74 (upto Sept. 1973) . . . . .	7132	Rs. 185.98 lakhs.

7.50. The working of this scheme is constantly reviewed by the Marketing & Sales Organisation with a view to keeping a watch on the performance of the services existing and introducing them on more routes.

7.51. The freight forwarder scheme in Parcels was introduced in April, 1972 on lines similar to the scheme in goods, so as to reduce the transit time for parcel traffic. The service is now available between 7 pairs of points. The number of parcel vans loaded and gross earnings respectively increased from 170 and Rs. 4.22 lakhs in 1972-73 to 527 and Rs. 14.63 lakhs respectively in 1973-74 (upto September, 1973).

7.52 Other important measures adopted are introduction and expansion of city booking agencies, city booking offices, mobile booking services and street collection and delivery services. As on 31-3-1973, there were 47 city booking agencies and 86 city booking offices. Street collection and delivery services were in operation in 30 towns and mobile booking services in 9 towns.

7.53. In order to have a review of the organisation conducted by an outside agency who would be able to look at the problem with an objective and fresh mind, the Ministry of Railways appointed the Indian Institute of Management, Ahmedabad in 1970 to undertake a review of the marketing and sales techniques in relation to freight traffic on Indian Railways. The Institute, in its Report, submitted in March, 1973, has made several recommendations regarding the organisational set-up of the marketing and sales organisation and other measure for achieving the objective of retaining and attracting high-yielding traffic to the Railways. A summary of these recommendations is given below:—

“It is recommended that the Railways should do the following:—

1. Make a systematic assessment of the total freight business by markets/stations, by commodities and by services;
2. Realistically assess the competition in the various freight markets and develop an understanding of business strategies followed by competition;
3. Set targets at the level of divisions/stations with full involvement of the personnel who have to achieve them;
4. Prepare operational plans which spell out the strategy of achieving targets;
5. Measure performance against targets;
6. For a thrust in the marketing effort, follow the principle of management by exception by developing plans and targets for the major 58 markets, accounting for over 75 per cent of the business;
7. A change be made in the priority system so that high rated commodities can be carried at least on 'B' priority basis;
8. The term 'High Rated Traffic' be abandoned and instead such traffic be termed as 'High Preference' and 'Preferred Traffic' depending on its rate classification;

9. Scheme of guaranteed supply of wagons be extended to all important stations at least for high rated traffic;
10. For achieving coordination at the highest level a new post of Chief Traffic Manager to be created having a status in the organisation next only to the General Manager and all the three heads of customer impinging departments, namely, Commercial, Operating and Marketing Chiefs should report to him.
11. Marketing department, headed by the Chief Marketing Manager to be made responsible only for freight business and its activities be clearly defined. Its non-marketing and non-freight functions be taken away and entrusted to other functionaries in the Commercial department.
12. The Chief Traffic Manager be provided with adequate 'staff' support with specialised cells responsible for planning and analysis, marketing research and information systems, special projects group, and manager in charge of special services.
13. A field sales organisation for freight marketing with sales personnel at the division/station level should be set up.
14. As far as possible clear responsibilities be assigned to the field sales organisation for the achievement of targets and profitability.
15. Personnel policies relating to the recruitment, development, training and motivation of the marketing organisation need to be examined by the appropriate authorities in the Railways.
16. For an effective marketing job of the special services like containers, QTS, etc., specific responsibilities be assigned to an officer responsible for their profitable operation and long term planning. Pricing, promotion, facilities (stocks, containers, equipment, etc.) and costs of operation would all be his responsibilities and once his yearly budgets and long term plans are approved by the Management, he would be responsible for the overall performance of the service.
17. Similarly, loss-making services and routes be assigned to a specific officer (Manager, Special Projects) with the objective of reducing such losses through appropriate

budgeting system. The possibilities of generating additional traffic on such services/routes may be taken into account for this purpose."

7.54. The Ministry have stated that the various recommendations contained in the Report are under active consideration of the Railway Board.

7.55. Following are a few important excerpts from the Report:—

"The Railways have to operate under a priority system, which means that they cannot offer guaranteed transport for high rate traffic ignoring priorities. Almost the entire high rated traffic under this priority system, is labelled as low priority. A scheme of guaranteed supply of wagons has been operating on the Western Railway at Bombay CCB, Kankaria and Jaipur Station and results have been fairly impressive. It appears to us that there is considerable scope for expanding this service to other important stations. In fact one begins to question the rationale behind high rated traffic being treated as low priority, particularly when Railways are expected to make profits and high rated traffic is the major source of profitability. As high rated commodities constitute only a small portion of total traffic handled treating it on a higher priority basis would only marginally affect the service level of the low rated but essential commodities."

"The key word in the organisation appears to be "watching" and the organisation most of the time is only keeping track of what is happening in various product areas, markets and services without much attention to the remedial action that is required on the basis of an analysis of changing trends and new developments in business."

"Routine paper work and a wide charter of operation has led to casual attention being paid to the vital tasks of marketing ..... Information about total market size and Railways' share in it, which is vital for planning work, is totally missing except for some broad idea at the macro level."

7.56. Asked to give their comments on the above observations of the Indian Institute of Management, the Ministry have stated:—

"Their study was based on conditions obtaining on the Western Railway and their recommendations which are applicable on an all-

India basis are being considered for implementation. As regards the recommendation regarding upgrading of all high rated traffic in the priority list, it may be mentioned that even before the Study Team's Report was received, the Railway Board had on its own volition, appointed a Committee of Joint Directors to go into this question in 1972 and had issued orders upgrading 22 high rated commodities into priority 'B' and another 16 commodities to priority 'C' to be effective from January, 1973:

"The Study Team's recommendations could be broadly classified into (1) changes and improvements in the procedural approach of the marketing and sales organisation of the Railways to competition from roads and marketing research and (2) very radical changes in the personnel setup of the Marketing and Sales Organisation. While studying these recommendations, it was found that these two aspects largely overlap and action on all the recommendations cannot possibly be taken independently. The various recommendations have been studied and an action plan has been drawn up to implement these recommendations on the Railways. It will be appreciated that these recommendations are of a far reaching nature and as they have got large financial implications, it would be necessary to examine these matters in great depth with a view to assess the relativity between the input in terms manpower and finances and the output in terms of additional traffic that might accrue to the Railways. A study on these lines is engaging the attention of the Board and a decision is expected to be taken in the near future."

7.57. In a further note on the subject, the Ministry of Railways have stated that improvement in traffic mix and the need for the Railways' working to the principle that the high rated traffic is more 'Service Sensitive' than 'Price Sensitive' are among some of the measures suggested in the Railway Board's publication "Central Facts and Major Problems" (February, 1974) for improving the Financial health of the Railways.

7.58. The increase in the proportion of high rated traffic in the traffic mix and the improvement in the quality of service would no doubt contribute towards increased revenues. To achieve this, a sound base of Marketing and Sales Organisation assigned with clear marketing functions and adoption of proper marketing strategies, are a pre-requisite.

7.59. The following steps are proposed to be taken to improve the

proportion of high rated traffic in the traffic mix and to improve the quality of service:—

- (i) A proposal to revitalise the marketing and sales organisation is under active consideration with a view to making it more effective towards rendering customer oriented service and attracting more high revenue traffic.
- (ii) Feasibility of placing more high revenue traffic under higher priorities is being examined so as to enable lifting of traffic in such commodities on a preferential basis, thus, reducing the chances of diversion of such traffic to road.
- (iii) With the strengthening of the marketing and sales organisation under examination, appropriate assessment of total freight business by markets, by commodities and by services would also be considered and measures to assess realistically the competition in the various freight markets would be evolved. Apart from the marketing strategies, that would be feasible with an expanded organisation, steps for proper performance evaluation *vis-a-vis* targets would also be considered.
- (v) The freight forwarder scheme in wagors introduced in routes and extend to other routes are being studied and the equipment required in that connection would be planned for procurement.
- (v) The freight forwarder scheme in wagons introduced in 1969 helped in at attracting high rated traffic and the scheme has been making a steady progress. It is now available between 58 pairs of points. Powers have been delegated to the General Managers to introduce the scheme and the possibility of introducing the scheme between more pairs of points in future is being examined.
- (vi) The freight forwarder scheme in parcels introduced in June, 1972 has caught up with the public and has become popular. The feasibility of extending the scheme to more routes is being studied.
- (vii) Zonal Railways have been asked to make a proper analysis of the traffic moving by road on the various sections and to contact not only the consignors but also the customers receiving goods from the manufacturers in order to find out the various constraints that inhibit their offering traffic for movement by rail and adopt suitable remedial measures.



- (viii) To make rail-road coordination more effective two Regional Directors (Rail Road Coordination) have been appointed one each at Bombay and Lucknow. Besides representing the Central Government. (Railways) on the Board of Directors of the State Road Transport Corporations of Maharashtra, Madhya Pradesh and Uttar Pradesh and other advisory bodies that may be formed by the State Government or Road Transport Corporation, they are required to advocate Railways' case before Road Transport Authorities who grant licences to road hauliers and to maintain liaison with developmental, industrial, agricultural, transport and statistical offices of State Governments and collect necessary data about existing transport services and developing needs of different regions.

**7.60.** The Committee observe that the share of road transport in the total volume of goods traffic carried by road and rail has gone up from 10.2 per cent in 1950-51 to 34.7 per cent in 1973-74. According to an appreciation furnished to the Committee by the Ministry of Railways, 75 per cent of the traffic carried by the Railways is committed programmed traffic like coal, iron ore, raw materials to and finished products from steel plants, foodgrains, fertilisers etc. Another 10 per cent of traffic such as timber, bamboos, sand, fodder, salt etc., cannot possibly be moved by road in any appreciable quantities as these commodities cannot bear the cost of movement by road particularly for medium and long distance hauls. Thus only about 15 per cent of the total originating traffic on the Railways can be said to be subject to competition from road services.

**7.61.** The Committee consider that in the given situation, the increase in the relative share of road services in the movement of goods traffic can only be explained by large scale diversion of short and medium haul traffic, mostly high rated, to road services. In fact, a considerable portion of even long haul high rated traffic is now moving by roads due to the inherent advantages which the road hauliers enjoy viz. faster service and safe delivery at the door of the consignee.

**7.62.** The Committee note that after the setting up of the Marketing and Sales Organisation on the Railways in the year 1967, the originating tonnage and share in earnings from high rated commodities showed an improvement upto 1971-72 but there was a setback thereafter due mainly to the unsettled conditions on the Railways.

7.63. The Committee observe that the Indian Institute of Management, Ahmedabad have made an exhaustive study of the working of the Marketing Organisation on the Western Railway and have made a number of useful suggestions to tone up the working of this organisation. The Institute have inter-alia observed that "the key word in the organisation appears to be 'watching' and that the organisation most of the time is only keeping track of what is happening in various product areas, markets and services without much attention to the remedial action that is required on the basis of analysis of changing trends and new developments in business." Further, "Routine paper work and a wide charter of operation has led to casual attention being paid to the vital tasks of marketing . . . . Information about total market size and Railways' share in it, which is vital for planning work, is totally missing except for some broad ideas at the macro level."

7.64. It appears that most of the weaknesses and drawback pointed out by the Institute and the suggestions given as, for example, the need for (i) making a systematic assessment of the total freight business by markets/stations, by commodities and services; (ii) realistically assessing the competition; and (iii) setting targets at the division/station level with full involvement of the personnel who have to achieve them etc. etc. are of general applicability to all Railways.

7.65. The Committee are surprised that no conclusive action has yet been taken to implement the recommendations made by the Institute. Although there is to some degree an inevitable trend of high rated traffic getting diverted to road services, the Railways can counter it to an appreciable extent by improving their services through sustained action on lines suggested. The Committee would stress the imperative need to streamline the functioning of the Marketing and Sales Organisation so as to make for better coordination with the trading and business community. Ultimately the success of the organisation has to be judged by the performance of each individual engaged on the task of sales promotion. It is, therefore, necessary that the organisation is revitalised in a manner that would make it fully responsive to the needs of the customer.

7.66. The Committee note that in pursuance of the recommendations made by the Institute, the feasibility of placing more high revenue traffic under higher priorities is being examined so as to enable lifting of traffic in such commodities on a preferential basis, thus reducing the chances of diversion of such traffic to road. The

**Committee trust that with the implementation of the various suggestions made by the Indian Institute of Management, the Railways would be able to recapture a major portion of the high rated traffic which they have lost to road services due to their own deficiencies. The Committee would like the steps taken and the results achieved in this direction to be mentioned in the Annual Reports of the Zonal Railways and the Railway Board.**

NEW DELHI;  
September 5, 1975  

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Bhadra 14, 1897 (S)

B. S. MURTHY,  
Chairman,  
Railway Convention Committee.

## APPENDIX I

(Vide para 2.12)

## Fourth Plan — Traffic Targets and actual materialisation.

(In million mt)

Commodity	Target		Actual materialisation				1973-74 (Act.)	Sterfall if any as comp- are to Revised target
	Original	Revised	1969-70	1970-71	1971-72	1972-73		
<b>I. Steel Plants :</b>								
(a) Finished products.	10.00	8.0	7.1	6.2	6.0	6.7	6.1	(-) 1.9
(b) Raw Materials.	27.7	21.0	16.5	16.1	15.8	17.0	15.9	(-) 5.1
<b>II. Coal :</b>								
(a) Steel Plants	28.00	13.0	12.6	12.1	11.4	11.7	11.5	(-) 1.5
(b) Washeries		7.50	6.1	5.4	5.4	5.3	5.5	(-) 2.00
(c) Others.	41.40	42.0	34.3	30.4	31.9	34.1	30.3	(-) 11.7
(d) Railways.	15.00	15.0	18.0	16.4	16.3	16.2	15.1	( ) 0.1
<b>III. Iron Ore for Export :</b>								
Iron :	16.00	16.0	8.8	9.8	10.7	9.9	8.4	(-) 7.6
IV. Cement :	12.6	13.25	10.7	11.0	11.2	10.5	10.0	(-) 3.25
<b>V. General Goods :</b>								
(a) POL	12.00	12.0	8.8	8.9	10.1	10.2	10.2	(-) 1.8
(b) Foo'grains.	16.00	15.75	15.1	15.1	15.5	15.8	14.6	(-) 1.15
(c) Fertilizers.	9.40	7.0	4.6	4.7	5.2	5.4	5.5	(-) 1.15
(d) Other goods.	58.60	52.0	49.2	48.2	46.9	48.6	44.5	(-) 7.5
<b>VI. Railway materials.</b>	18.00	18.0	16.1	12.2	11.4	9.9	7.6	(-) 10.4
<b>TOTAL :</b>	264.70	240.5	207.9	196.5	197.8	201.3	185.2	(-) 55.3

## APPENDIX II

(Vide Para 3.64)

*Note on the requirements and actual supply of steam coal to industries and for Railways own consumption during the Fourth Plan period (yearwise) and in 1974-75.*

Coal supplies to the Railways were generally adequate till 1972 and were regulated to variations in the traffic carried over anticipated requirements. However, from 1973 onwards, the Railways have been experiencing shortages in supplies. A detailed note on the shortage of loco coal, which prepared earlier and seen by the Secretary, Department of Coal, Ministry of Energy and the Cabinet Secretary is attached as annexure I. The note has been slightly modified by uptodating the position and incorporating the views contained in the note furnished by Department of Coal, Ministry of Energy to the Railway Convention Committee. The comments of the Ministry of Railways regarding the wagon supply position referred to in the note of Department of Coal have been given in annexure II. The coal supplies to Railways were discussed in the meeting held on 16-12-1974 between the Ministers for Railways and Energy. The loco coal loading has since been stepped up.

The data called for in respect of coal for Railways for the Fourth Five Year Plan period is given in annexure III.

The details of the requirements and supplies of coal to the Industries are not available.

The requirements of Fifth Plan were initially estimated in 1972 on the basis of planned withdrawal of overaged steam locomotives from service. In view of the oil crisis it became necessary for Railways to continue increased usage of steam locomotives and slow the pace of condemnation of overaged steam locomotives. Thus the tentative requirements of coal for Railways during the Fifth Plan period has been kept at 14.4 million tonnes annually. The actual supplies in the current year upto January, 1975 are given in Annexure—IV.

### ANNEXURE I

#### *Shortage of Loco Coal*

#### *Background*

Inadequacy of steam coal for Railways and industries has been a continuing feature almost since the nationali-

sation of coal mines. The position of diminishing loco coal stocks was first intimated as far back as in early April, 1973, to the Secretary, Department of Mines, by a D.O. from Member, Traffic. The Cabinet Secretary was also informed of the position. Member, Mechanical, in his D.O. to the Secretary, Department of Mines on 7-4-1973 had also highlighted the inadequate availability of steam coal at pit-hands particularly in Bengal & Bihar Coalfields. Chairman, Railway Board, in his D.O. in mid May, 1973 addressed to Adviser to the Governor of Andhra Pradesh and Copy to Secretary, Department of Mines, again advised of the acute shortage of steam coal for the Railways and the industries. This was further followed up by the Deputy Minister for Railways in June, 1973, to the Deputy Minister for Steel & Mines. The subject of short supply of coal to the Railways was discussed in the meeting held in Cabinet Secretary's room on 12-7-1973. The very alarming situation on the Railways due to shrinking steam coal supplies was brought out in a D.O. letter in late October, 1973, from the Minister for Railways to the Minister for Steel & Mines. Finally, with effect from 1st November, 1973, the Railways were compelled to curtail their own services to meet the situation caused by short supply of steam coal so that the minimum essential demands of the industries could be met and the Cabinet Secretary and the Secretary, Department of Mines, were accordingly advised by the Member, Mechanical *vide* his D.O. letter dated 1-11-1973. A further curtailment in passenger services had to be effected in late April, 1974, on the eve of the threatened all-India Railway strike. After the strike, with Railways rapidly returning to normalcy, it was decided progressively restore the curtailed services. Unfortunately, the offers of steam coal continued to remain far below the requirements of the Railways and the industries with the result that we had to freeze restoration of services from August, 1974. This position as advised immediately to the Minister for Steel & Mines through a D.O. in early August, 1974, from the Minister for Railways followed by D.O. on 17-8-1974 and again on 1-9-1974. The low offers of steam coal were also discussed in the Coal Co-ordination meeting held at Calcutta with the Coal producers on 12-9-1974 and in a meeting held in Delhi on 7-8-1974 which was attended by the Joint Secretary, Department of Mines, besides the coal producers. In addition, a regular contact each month is maintained by the Chief Mining Advisor of the Railways with the Coal producers.

*Requirements*

2. The Railways' coal requirements in 1970-71 were 16 million tonnes which have been gradually coming down over the years. It was estimated in 1972 i.e. prior to the oil crisis that the requirements in 1974-75 would be 14.04 million tonnes. In view of the oil crisis, it became necessary to reduce the condemnation of steam locomotives and hence the requirements for 1974-75 were estimated at 14.4 million tonnes or 1800 BG 4-wheeler wagons daily. Accordingly, the coal producers were asked in November, 1973 to offer 17 million tonnes after providing a cushion for stock building and shortfall in day-to-day loading. The coal producers responded in December with the offer of 17 million tonnes for loco coal as per break-up given below:—

CMAL	. . . . .	14.5 million tonnes.
BCCL	. . . . .	1.2 million tonnes.
SCCL	. . . . .	1.3 million tonnes.
TOTAL	. . . . .	17.0 million tonnes.

*Supplies*

3. The total supplies in 1973-74 were not 13.92 million tonnes as shown in the note of Department of Coal but were only about 13¼ million tonnes giving a daily average of 1639 wagons as against Railways' daily average requirement of 1800 BG 4-wheeler wagons resulting in large scale curtailment of services on Railways including planned curtailment of passenger services after November, 1973. In the current financial year, the monthwise supplies are given below:—

(Figures in terms of BG 4-wheeler wagons)

Month	CMAL & BCCL	SCCL	Total	Daily average	Average daily shortfall
-------	-------------	------	-------	---------------	-------------------------

1	2	3	4	5	6
August, 1974	47,523	5,115	52,638	1698	102
September, 1974	47,370	4,560	51,930	1731	69
October, 1974	47,337	5,053	52,390	1690	110
November, 1974	49,350	4,440	53,790	1793	7
December, 1974	53,630	5,332	58,962	1902	+ 102
January, 1975	53,785	4,712	58,497	1887	+ 87
TOTAL	479,369	48,091	527,460	1724 Average	76 Average

The total supplies in the first 10 months so far have been 5,27,460 wagons or about 11.81 million tonnes which is more by about 0.64 million tonnes compared to the correspondence period of 1973-74. This was because of increased loading during November and December, 1974 and January, 1975. It may be reiterated that even during the current year supplies are below the Railways daily requirements of 1800 wagons and even at present as on 1-3-1975, 236 pairs out of a total of 1738 pairs of scheduled non-suburban trains are yet to be introduced. However, in view of increased loading, it has been decided to introduce progressively the cancelled passenger trains.

#### *Shortfall from BCCL*

4. BCCL originally offered 1.2 million tonnes of non-coking steam coal for the Railways. Consequent to a large number of their collieries being re-graded to coking coal, the BCCL revised their offer to 0.4 million tonnes of non-coking coal and the balance of 0.8 million tonnes of coking coal. In a meeting held in July, 1974 CMAL were asked to examine whether they could make good the shortfall of non-coking coal from BCCL. The Joint Secretary, Department of Mines, in the meeting held on 7-8-1974 indicated that CMAL will not be in a position to take on the additional offer and the BCCL's offer of coking coal will remain firm. Notwithstanding the higher price of coking coal, the Railways have been freely accepting whatever coking coal has been offered by BCCL throughout. The price payable for coking coal is as decided by the Government and there is no reluctance on the part of the Railways for payment of



higher price fixed for the coking coal. There is, therefore, no substance in the presumption that reduction in programme on BCCL collieries is due to the Railways unwillingness to pay the higher price. The BCCL's offer of 1.2 million tonnes for the year works out to a daily average of 150 BG 4-wheeler wagons which was confirmed by the BCCL even in the last meeting held at Delhi on 7-8-1974. Despite this, the actual offers have been only to a level of 130 to 135 wagons per day to the extent of which the programme had to be restricted and the actual loading has been substantially below this.

*Monthly Programme by Chief Mining Adviser*

5. The monthly programme covers a large number of collieries and certain flexibilities is necessary in allotments depending on availability of coal and wagons at individual collieries on day-to-day basis. Thus, it provides the needed cushion of about 15 per cent over the actual bare requirements. Since the programme has to be restricted to the offer, the offer for the current year asked for was 17 million tonnes which was 18 per cent more than the requirements to provide for 15 per cent flexibility in allotment explained earlier and the balance for building up coal stocks. Despite this necessary flexibility having been provided in the monthly programme, the supplies were far below till recently. It is only from November, 1974 that the loading has picked up. It will, thus be seen that had the supplies been made to the requirements for which adequate programme was made throughout, there would have been no necessity to curtail Railway services.

**ANNEXURE II**

*Note regarding the wagon supply position by railways referred to in Ministry of Energy, Deptt. of Coal's memorandum furnished to Railway Convention Committee.*

The statement of the Department of Coal that at collieries where separate storage bunkers for steam coal have not been provided, production of steam coal suffered for wagon supply, as such collieries screen run-of-mine coal only on physical supply of wagons for loading steam coal to the specific consumers, does not appear to be factually correct. The coal comes out of the mines as run-of-mine and it is screened into steam coal and slack coal and offered as steam coal to consumers like Railways, industries

etc., and slack coal to the thermal power stations, cement factories, brick-burning industry etc. Run-of-mine coal is not offered to the consumers. The coal is offered by coal producing agencies separately as steam coal and slack coal for allotment by the Railways. Inadequate supply of steam coal cannot be attributed to wagon supply, affecting the screening of run-of-mine into steam coal and slack coal.

2. As regards the statement of offers and allotments, which the Department of Coal, has quoted to indicate that the offers of steam coal in terms of wagons by the coal producing agencies were higher than the allotment of wagons by the Railways, it may be mentioned that the offer has always got a certain repetitive element due to offers not covered by allotment on any day, being repeated on the following day. A margin between the offer and allotment and a further margin between allotment and loading are inevitable due to various factors like overlapping offers, smaller size of train loads allotted or loaded to suit terminals, substitution of BOX rakes by 4-wheelers, haulage capacity of engines, cancellation on colliery account, short supplies by railways etc. Allotments would always be lower than offers for these reasons. The fact that the allotments were lower than the offers is inevitable and does not establish that the Railways did not move all the available coal.

It was stated in para 5 of the note of the Department of Coal that the trend in loading has been encouraging since the Railways overcame their difficulties following the strike in May, 1974. The overall loading of coal has been improving from June 1974 onwards but the offer of steam coal has continued to be inadequate, especially in Raniganj fields, which is the major source of steam coal supply. The improvement in coal loading has mainly been in the Outlying fields and on account of the loading of slack coal to thermal power stations, cement factories etc. and not due to increase in offer and loading of steam coal. The offer of steam coal did not improve even after May, 1974 when wagon supply improved considerably and in fact there was a steep drop in offer of steam coal from the beginning of July, 1974 further affecting adversely the steam coal supply and the unsatisfactory conditions continued right up to early part of January, 1975.

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## ANNEXURE—III

Statement showing requirements and supplies of coal to the Railways during the Fourth Five Year Plan

Year	Anticipated requirements (in million tonnes)	Actual consumption (in million tonnes)	Supplies	
			In B.G. Four wheeler wagons per day	In million tonnes (approx.) @ 22.4 tonnes per BG-4 wheeler wagons
1969-70	16.2	16.08	1977	16.2
1970-71	16.0	15.11	1872	15.3
1971-72	15.0	14.86	1867	15.3
1972-73	14.8	14.38	1810	14.8
1973-74	14.6	13.75 (Provisional)	1639	13.4

## ANNEXURE—IV

Statement showing actual supplies of coal to the Railways during 1974-75 month-wise upto January, 1975

Month	Daily number of wagons (BG 4-wheelers) loaded against a requirement of 1800 wagons per day to give 14.4 million tonnes
April 1974	1649
May 1974	1594
June 1974	1621
July 1974	1669
August 1974	1698
September 1974	1731
October 1974	1690
November 1974	1793
December 1974	1902
January 1975	1887

**APPENDIX III**

(Vide para 4.17)

*Statement showing occupation of First Class ACC and A. C. Chair Car during October, 1974 as compared to occupation in October, 1973*

Train No.	Ist A.C.C. Occupation during		A.C. Chair Car, Occupation during	
	Oct. 74	Oct. 73	Oct. 74	Oct. 73
<b>Bombay—Howrah Route</b>				
1 Dn BB—HWH Mail (via Nagpur)	90%	91%	No Chair Car.	
2 UP HWH—BB Mail (Via Nagpur)	69%	80.7%	Do.	
3 UP HWH—BB Mail (Via Allahabad)	68%	85%	Do.	
4 Dn BB—HWH Mail (Via Allahabad)	88%	93%	Do.	
<b>Bombay—Madras Route</b>				
11 Dn/12 UP MAS—DR Exp.	51%	78%	Do.	
<b>New Delhi—Howrah Route</b>				
81/103 Up A. C. Express	56%	71%	73%	77%
82/104 Dn A.C. Express	58%	97%	78%	95%
1 UP HWH—DLI—KLK Mail	79%	92%	No Chair Car	
2 Dn KLK—DLI—HWH Mail	41%	90%	Do.	
11 UP HWH—Express	64%	79%	Do.	
12 Dn DLI—HWH Express	44%	88%	Do.	
<b>New Delhi—Madras Route</b>				
15 Dn G.T./A.C. Express	43%	Not available	50%	Not available
16 Up G.T./A.C. Express	63%	85%	46%	78%

Train No.	1st A.C.C. Occupation during		A.C. Chair Car Occupation during	
	Oct. 74	Oct. 73	Oct. 74	Oct. 73
<i>Howrah—Madras Route</i>				
3 Up HWH—MAS Mail	89%	78%	No Chair	Car
4 Dn MAS—HWH Mail	90%	Not available	Do.	
<i>Lucknow—Gauhati Route</i>				
1 Dn A.T. Mail	75%	29%	Do.	
2 Up A. T. Mail	20%	28%	Do.	
<i>New Delhi/Delhi—Bombay Route</i>				
3 Dn Frontier Mail	47%	62%	Do.	
4 Up Frontier Mail	45%	52%	Do.	
25 Dn A. C./Paschim Exp.	53%	66%	75%	93%
26 Up A. C./Paschim Exp.	52%	77%	50%	79%
5 Dn Punjab Mail	75%	76%	No Chair	Car
6 Up Punjab Mail	42%	63%	Do.	
201 UP DLI—ADI Mail	54%	66%	Do.	

## APPENDIX IV

(Vide Para 5.3)

*Statement showing New Lines/Restorations/Conversions completed and opened to traffic during the Fourth Plan period (1969-70 to 1973-74)*

RAILWAY	S.No.	Name of Project	Gauge	Length (in Kms.)	Date of opening
1	2	3	4	5	6
1969—70					
Northern	1.	Hindumalkot—Srigargargargar	BG	27.56	11-1-70
Western	2.	Jhund—Kandla Railway Project Maliya New Kandla Project	BG	100.76	19-9-69
1970—71					
Northern	1.	Singrauli—Otra	BG	57.56	30-4-70
Northeastern	2.	Thurbita—Baptiahi (Restoration)	MG	11.71	16-11-70
1971—72					
Central	1.	Singrauli—Katni	BG	254.26	7-2-72
South-Central	2.	Conversion of (i) Pune—Miraj (ii) Miraj—Kolhapur	BG BG	279.19 47.22	} 21-4-71
				326.41	
Eastern	3.	Permanent Diversion of Tildanga-Farakka line upto South abutment of Barrage with a bridge over Feeder canal	BG	7.82	} 11-11-71
	4.	Provision of BG Railway bridge over the Farakka Barrage	BG	2.24	
	5.	BG connection between the left bank abutment of the Farakka Barrage and Chamagram excluding interchange point at Malda	BG	2.40	
	6.	Diversion of the Ballalpur Halt-Tildanga line along the left bank of the feeder canal	BG	5.98	28-1-72
1972—73					
Northern	1.	Kathua—Jammu	BG	77.10	2-10-72
Southern	2.	Mangalore—Panambur Mixed link	MG/BG	25.86	14-10-72

1	2	3	4	5	6
1973-74					
South Eastern	1. Cuttack—Paradeep	. . . . .	BG	84.31	9-7-73
Western	2. Guna—Maksi Project	. . . . .			
	(i) Ruthjai—Riyavra Rajgarh &	}	BG	132.18	18-6-73
	(ii) Maksi—Sarangaur sections				
<i>Summary of Kms. opened during Fourth Plan</i>					

S.No.	Year	New Lines	Restorations	Conversions
1.	1969—70	128.32	..	
2.	1970—71	57.56	11.71	..
3.	1971—72	272.70	..	326.41
4.	1972—73	102.96	..	..
5.	1973—74	216.49	..	..
	TOTAL	778.03	11.71	326.41

## APPENDIX V

(Vide para 5.18)

*Statement showing requirements and Supplies of track materials during the Fourth Plan*

	1969-70		1970-71		1971-72		1972-73		1973-74	
	Require- ment	Supplies	Require- ment	Supplies	Require- ment	Supplies	Require- ment	Supplies	Require- ment	Supplies
Rails 52 Kg. Tonnes	105364	69540	145300	114240	113800	111288	150000	122233 (rev) 104000	126000	104442
Rails 90 lbs. Tonnes	46551	27593	64520	24376	65200	18452	108000	89631 (rev) 72000	112800	50645
Rails 75 lbs. Tonnes	14953	11604	11660	4439	18800	12588	17000	5867	16000	1939
Rails 60 lbs. Tonnes	21760	17170	17007	8801	35880	12993	18800	11160	21000	2941
B.G. Steel (Lakhs Nos)	8.40	5.33	8.43	4.74	8.45	6.31	7.80	4.57	7.66	3.64
CS/In sleepers Tonnes BG&MG.	68000	118000	97000	85000	114000	85000	136000	83000	74900	64680
Fittings (tonnes) (Tie Bars, Cotter, keys & spikes)	26000	12070	37500	7789	25000	14245	39500	27990 + (3000)	47200	28281 (12000)
										40281

**NOTE :-** 1. 1973-74 52 Kg. and 90R rails orders reduced for want of funds. 90R rails could not be despatched in full due to transportation difficulties during 1973-74 and moved subsequently.

2. Quantities in brackets were procured by Railways themselves by utilising imported billets.

3. Requirements are inclusive of project needs.



**APPENDIX VI**

(Vide para 5-66)

Statement showing the number of overage Rolling Stock and its percentage to Total Stock at the commencement and at the end of IVth Plan Period

		BROAD GAUGE	METRE GAUGE	NARROW GAUGE
<b>(e) LOCOMOTIVES</b>				
(i)	At the commencement of the IVth Plan i.e. on 31-3-69	(A) 7289 (B) 1258 (St. 1254) (C) 17.21%	3839 587 (St.) 15.21%	430 213 (Steam) 49.53%
(ii)	At the end of the IVth Plan i.e. on 31-3-74 (estimated)	(A) 7,075 (B) 810 (St. 780) (C) 11.45%	3543 369 (St. 368) (D. 1) 10.41%	425 243 (Steam) 57.1%
<b>COACHES (Excluding EMUs &amp; Railcars) (In vehicles)</b>				
(i)	At the commencement of the IVth Plan i.e. on 31-3-69	(A) 71239 (B) 3583 (C) 20.78%	13785 2730 19.80%	1716 923 53.79%
(ii)	At the end of IVth Plan i.e. on 31-3-74 (estimated)	(A) 18927 (B) 2269 (C) 11.99%	13913 1742 12.52%	1613 866 53.69%
<b>WAGONS (in 4-wheelers)</b>				
(i)	At the commencement of IV Plan i.e. on 31-3-69	(A) 279472 (B) 15701 (C) 5.62%	96924 13492 13.95%	6032 3660 60.84%
(ii)	At the end of IVth Plan i.e. on 31-3-74 (estimated)	(A) 289946 (B) 11907 (C) 4.11%	92545 10507 11.35%	5535 3536 63.88%

NOTE: A—Denotes total number of rolling stock in service.  
B—Denotes number of overage stock.  
C—Denotes %age of overage to total stock in service.

### APPENDIX VII

(Vide para 5.66)

*Statement showing number of locos intended to be procured and actually placed on line on replacement account during the Fourth Plan Period.*

Year	No. intended to be procured as planned			Nos. placed on line on replacement account		
	BG	MG	NG	BG	MG	NG
<b>1969-70</b>						
Steam						
Diesel	32	35		36	39	
Electric	60	22	6	22	25	
<b>1970-71</b>	10					
Steam						
Diesel	5	30		6	35	
Electric	60	22	6	76	1	
<b>1971-72</b>	10			3		
Steam						
Diesel		22		63	30	
Electric	60	22	6	63	22	10
<b>1972-73</b>	11					
Steam						
Diesel		22				
Electric	60	22	6	84	8	
<b>1973-74</b>	11			17		
Steam						
Diesel		22				
Electric	62	22	6	57	12	
<b>TOTAL</b>	11			12		
Steam						
Diesel	37	87†		42	104	
Electric	302‡	110	30**	308	68	10
	53			32		

**NOTE :** Nos. intended to be procured for IVth Plan was distributed more or less equally in each year.  
 \*To replace 714 steam locos; To replace 275 steam locos; †To replace 60 steam locos.

## APPENDIX VIII

(Vide para 5-66)

Statement showing the No. of Coaching Stock intended to be procured and actually placed on line on replacement account during the Fourth Plan Period

(Figures show number of vehicles)

Year	No. intended to be procured as per plan			No. actually placed on line on replacement Account		
	Broad Gauge	Metre Gauge	Narrow Gauge	Broad Gauge	Metre - Gauge	Narrow Gauge
1969-70	300	300	40	261	221	6
1970-71	300	300	40	243	278	2
1971-72	300	300	40	152	269	7
1972-73	300	300	40	115	156	10
1973-74	300	300	40	247	114	4
TOTAL	1500	1500	200	1018	1038	29

NOTE :—Plan target has been distributed equally in each year since real assessment is meaningful only over the Plan periods totals.

## APPENDIX IX

(Vide para 5.66)

*Statement showing the number of wagons intended to be procured and actually placed on line on replacement account during IV Plan Period  
(Figures in terms of 4-wheelers)*

Year	Number intended to be procured as per plan				Number placed on line on replacement account			
	Broad Gauge.	Metre Gauge.	Narrow Gauge.	Narrow Gauge	Broad Gauge.	Metre Gauge.	Narrow Gauge.	Narrow Gauge
1969-70	4200	1500	150	4719	3772	..	..	..
1970-71	4200	1500	150	4253.5	1456	..	..	..
1971-72	4200	1500	150	2699	674	46	46	46
1972-73	4200	1500	150	2197.5	999	..	..	..
1973-74	4544	1816	158	2940	380	..	..	..
TOTAL	21344	7816	758	16809	7181	46	46	46

**Notes :—**1. Original target of 25340 wagons was revised only in August '74 to 29918 and revised figures is indicated in the above statement.

2. Plan target has been distributed for each year since real assessment is meaningful only over the plan period totals.

APPENDIX

(Vide para 5.80)

Statements showing overdue POH of Rolling Stock at the commencement and conclusion of the Fourth Five-Year Plan.

Railway	LOCOMOTIVES													
	31-9-1969						31-3-1974						Electric	
	Steam		*Diesel		Electric		Steam		*Diesel		Electric		Electric	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
1	2	3	4	5	6	7	8	9	10	11	12	13		
Central				1	0.56				11	4.0	7	4.9		
Eastern							91	8.2	7	4.5	13	6.8		
Northern							28	2.68			31	34.0		
N.F.							3	3.3						
Southern	9	1.85							21	15.3				
S.C.	1	0.18												
S.E.									14	6.19	11	5.1		
Western	14	2.01	2	18.18					21	16.28				
TOTAL	24	0.39	3	1.58			122	2.29	74	6.67	62	9.7		

BROAD GAUGE

Remarks: A=Number overdue, B=Percentage overdue to total stock on line, and \* = Gives th: combined figs. of Diesel Hyd. & Mech. and Diesel Elect. locos wherever both the type exist.



Figures of over due POH of Rolling Stock at the commencement and conclusion of the Fourth Five Year Plan

Railway	COACHES						WAGONS					
	31.3.1969		31.3.1974		31.3.1969		31.3.1974		31.3.1969		31.3.1974	
	A	B	A	B	A	B	A	B	A	B	A	B
I	2	3	4	5	6	7	8	9				
	BROAD GAUGE											
Central	.	.	.	.	.	.	.	.	.	.	.	.
	379	8.77	482	8.8	4362	7.30	17479.5	28.6				
Eastern	.	.	.	.	.	.	.	.	.	.	.	.
	1134	16.34	770	11.1	11521	14.0	23757	29.4				
Northern	.	.	.	.	.	.	.	.	.	.	.	.
	535	8.80	670	9.62	5026	7.80	22253	30.4				
N.F.	.	.	.	.	.	.	.	.	.	.	.	.
	95	17.1	35	5.2	19	20.90	5	3.3				
Southern	.	.	.	.	.	.	.	.	.	.	.	.
	216	5.30	245	5.56	4328	14.5	7573	23.2				
S.C.	.	.	.	.	.	.	.	.	.	.	.	.
	158	8.99	281	10.8	No B.G. wagons allotted							
S.E.	.	.	.	.	.	.	.	.	.	.	.	.
	739	15.30	438	9.57	4638	6.25	11206	13.1				
Western	.	.	.	.	.	.	.	.	.	.	.	.
	117	3.78	179	4.78	5964	16.11	12721	30.03				
	TOTAL											
	3373	10.67	3068	8.79	35858	10.3	94994.5	25.27				
	METRE GAUGE											
Northern	.	.	.	.	.	.	.	.	.	.	.	.
	247	10.50	238	9.69	578	6.3	1228	14.2				
N.F.	.	.	.	.	.	.	.	.	.	.	.	.
	828	12.55	650	9.40	3453	9.41	4537	12.93				
N.F.	.	.	.	.	.	.	.	.	.	.	.	.
	342	9.60	425	11.5	1293	8.10	2044	12.6				

	1	2	3	4	5	6	7	8	9
Southern	.	527	10.80	379	7.96	1628	12.40	3259	26.3
S.C.	.	191	8.03	79	3.76	1647	9.73	1487	8.9
Western	.	222	3.99	667	11.74	2914	10.87	2356	8.86
<b>TOTAL</b>	.	<b>2357</b>	<b>9.34</b>	<b>1705</b>	<b>6.52</b>	<b>11513</b>	<b>9.7</b>	<b>14911</b>	<b>12.94</b>

NARROW GAUGE

Central	.	8	2.0	.	.	49	3.97	.	.
Eastern	.	.	.	9	8.0	.	.	16	22.2
Northern	.	.	.	28	8.41	29	6.1	80	16.7
N. F.	.	.	.	.	.	.	.	.	.
Southern	.	6	10.3	13	22.4	2	2.02	67	69.0
S. C.	.	8	1.83	18	4.66	22	2.49	72	8.90
S.E. I.	.	24	2.63	79	8.87	411	9.17	467	10.9
Western	.	89	11.68	35	4.96	113	4.41	126	5.14
<b>TOTAL</b>	.	<b>135</b>	<b>4.39</b>	<b>182</b>	<b>6.07</b>	<b>626</b>	<b>6.11</b>	<b>828</b>	<b>8.51</b>

Remarks: A=Number overdue.

B=Percentage overdue to total stock on line.



**APPENDIX XI**

(vide para 6·110)

*List of line capacity works from which selection would be made for being taken up during 5th Plan Period*

**DOUBLINGS :**

SECTION	COST (Rs. in Millions)
Itarsi-Amla . . . . .	110·0
Tadali-Chandrapur . . . . .	17·5
Doubling of bridge over Bina river . . . . .	6·0
Annupur-Bilaspur including facilities at Annupur . . . . .	200·0
Ujjain-Nagda . . . . .	50·0
Jalgaon-Udhna . . . . .	Not available
Asifabad-Belampalli } . . . . .	10·0
Viruru-Sripur Town } . . . . .	
Bhongir-Bibinagar } . . . . .	19·4
Pandial-Ghanapur } . . . . .	
Garwa Road-Chopan excl. 2 major bridges . . . . .	170·0
Garwa Road-Sonenagar with flyover at Sonenagar . . . . .	90·0
Barkakana-Patratu . . . . .	20·0
Partial doubling/CTC RDUM-BJU . . . . .	20·0
Majorhat-Brace Bridge . . . . .	5·0
Bhojudih-Mohuda . . . . .	25·0
Muri-Bokaro Steel . . . . .	106·0
Bonidanga-Tildanga . . . . .	15·0
Delhi avoiding Line doubling . . . . .	20·0
G. T. Route balance section . . . . .	160·0
Jukchi-Satna-Chheoki . . . . .	125·0
Dum-Dum-Barasat with flyover any DDJ . . . . .	37·0
LKO-Unnao . . . . .	43·3
JTJ-SBC Balance portion . . . . .	128·3
Ranigunta-Gudur . . . . .	89·3
Hospet-Guntaka-Madras : balance doubling and other works . . . . .	300·0
Erode-Karur . . . . .	69·2
<b>TOTAL</b> . . . . .	<b>1856·0</b>

## THIRD LINES :

SECTION	COST (Rs. in Millions)
3rd line Saktigarh-Dankuni . . . . .	150.0
3rd line UKA/Kajoragram . . . . .	18.6
3rd line Nichipur-Katrasgarh } . . . . .	15.0
3rd line Tetulmari-Kusunda } . . . . .	
3rd line Ghaziabad-Sahibabad . . . . .	12.0
3rd line MTJ-Palwal . . . . .	120.0
3rd line Bombay Ghats & other facilities. . . . .	600.0
TOTAL . . . . .	915.6

## CONVERSIONS FROM METRE GAUGE TO BROAD GAUGE ;

SECTION	COST (Rs. in Millions)
Ahmedabad-Delhi . . . . .	1000.0
Barauni-Katihar . . . . .	113.7
Manduadih-Bhatni . . . . .	102.4
Hospet-Goa-Londa-Miraj-Alnavar-Dandeli . . . . .	496.0
Guntur-Guntakal . . . . .	298.0
TOTAL . . . . .	2010.1

## OTHER LINE CAPACITY WORKS :

1. Regrading of Gurpa-Gujhandi section on the Grant Chord and Simultala-Jhajha on the Eastern Railway's main line section. . . . .	740.0
2. Provision of crossing stations on SC-VKB-WD, Vikarabad-Purli Baijraih, PAW-SNT Amla-Anji etc. . . . .	
3. Additional loops at STN-MGS, Saktigarh-Bandel Bairagarh-Makai section etc. etc. . . . .	
4. Avoiding lines at Bilaspur, Asansol, Andal, Burdwan, Secundrabad, Rajkharwan, Baroda, Lucknow, Jalgaon, Udhna. . . . .	
5. Additional terminal and line capacity facilities for ore movement ex-Barajamda and over the K. K. line. . . . .	
6. Miscellaneous works on other sections depending upon the development of traffic. . . . .	

*Additional facilities/remodelling of certain major marshalling yards including flyovers  
and provision of new marshaling yards.*

	<i>COST</i> <i>(Rs. in Millions)</i>
Remodelling of various yards. . . . .	} 570·0
Provision of new depot yards for coal loading as also marshalling/exchange yards for the new Steel Plants as well as existing steel plants. . . . .	
Provision of terminal facilities at coal loading points in Bengal/Bihar and the outlying fields including new washery yards. . . . .	150·0
Provision of new passenger terminals and extension of existing terminals. . . . .	590·0
TOTAL . . . . .	1310·0
GRAND TOTAL . . . . .	6841·7

**APPENDIX XII**

*(vide para 6·III)*

*List of Line Capacity Works costing Rs. 10 lakhs and above included in the Budget 1974-75*

S. No.	Name of work.	Anticipated cost (Rs. in lakhs)
1	2	3
<b>CENTRAL RAILWAY</b>		
1.	Remodelling of Junnerdeo Yard. . . . .	41·96
2.	Provision of additional platform at Bombay V.T. and Remodelling of Mazagaon yard. . . . .	133·00
3.	New Katni Yard—Remodelling . . . . .	73·52
4.	Bhusawal Up Goods Yard—Provision of three additional Up departure lines of 686 m. . . . .	35·00
5.	Jalgaon—Provision of additional Up and Down loop lines of 686 m. . . . .	16·19
6.	Khapri—Provision of POL siding . . . . .	10·83
<b>EASTERN RAILWAY</b>		
7.	Gomoh—Remodelling of yard. . . . .	62·7
8.	Dhanbad—Provision of integrated coaching facilities. . . . .	46·6
9.	Patna—Additional coaching facilities (Phase I) . . . . .	55·00
10.	Renukoot—Conversion of two marshalling lines and provision of two additional lines. . . . .	10·68
11.	Kusunda-Tetulmari—Laying a parallel line to the existing main line . . . . .	38·34
12.	Howrah—Terminal facilities for suburban and non-suburban traffic (Phase . . . . .	148·18
<b>NORTHERN RAILWAY</b>		
13.	Doubling between Sabzimandi and Ganaur . . . . .	448·46
14.	Hissar—Additional facilities in MG Yard. . . . .	14·74
15.	Tundla—Up through Goods line. . . . .	11·15
<b>SOUTHERN RAILWAY</b>		
16.	Ancillary traffic facilities at Madras Central . . . . .	268·76
17.	Acquisition of land for third and Fourth line between Villivakkam and Trivellore. . . . .	10·43

S.No.	Name of work	Anticipated Cost (Rs. in Lakhs)
<b>SOUTH CENTRAL RAILWAY</b>		
18.	Doubling between Bongir-Bibinagar and two crossing stations.	123.00
19.	Madamari—Additional facilities in Yard.	34.15
20.	Ramagundam—Five additional lines in Yard.	29.80
21.	Dhond-Wadi sec.—Additional line capacity works.	67.68
22.	Hyderabad-Secunderabad area—Development of terminal facilities (Phase I)	41.69
<b>SOUTH EASTERN RAILWAY</b>		
23.	Bilaspur—Provision of a chord line	13.30
<b>WESTERN RAILWAY</b>		
24.	Ratlam—Two bypass lines in Up Yard.	19.00
<b>CONVERSIONS</b>		
25.	Samastipur—Darbanga	475.00
26.	New Bongaigaon—Gauhati	2479.00
27.	Guntur—Macherla	821.00

## APPENDIX XIII

(Vide para 6.11)

*List of Line capacity works in respect of which surveys are in progress*

### CENTRAL RAILWAY

1. Survey for remodelling of main line passenger trains station of VT and provision of subsidiary terminal at Parel-Dadar Area.
2. Preliminary-cum-Final location survey for a proposed product pipe line for POL Traffic from Trombay to Pune.
3. Traffic Survey for additional line capacity works on Jalagaon—Bhusawal section.
4. Final Location Survey for construction of Narmada Bridge between Budni and Hoshangabad.
5. Traffic Survey for additional line capacity works on Jukehi-Satna-Chheoki section.
6. Final Location Engineering Survey for provision of Second Bridge on Bina and Betwa River.
7. Traffic Survey-cum-work study for remodelling of Jhansi Yard.
8. Traffic survey-cum-work study for remodelling of Agra Yard.
9. Traffic-cum-Work Study-cum-Engineering survey for remodelling of New Katni Yard.
10. Traffic-cum-Engineering Survey for remodelling of yards in Pench Valley coal field area.
11. Engineering Survey for doubling of remaining single line portions on the Amla-Nagpur section.

### EASTERN RAILWAY

12. Techno-economic survey for Terminal and Sectional facilities required for dealing with Suburban and non-suburban traffic in (a) Sealdah Division (b) Howrah Division.
13. Traffic-cum-Engineering Survey for optimisation of capacity on Garwa Road-Chopan section.

14. Garwa Road-Sonagar section (50 Kms.) patch doubling between (a) Sonnagar-Ankert (b) Karjat-Nawadih-Haideranagar (c) Untari Road and Garhwa, and (d) Flyover at Sonnagar.

15. Techno-Economic survey for additional line between Katrasgarh-Nichitpur including additional facilities at Katrasgarh.

16. Techno-economic survey for doubling of (a) Ranaghat-Kalinarayanpur section, and (b) Shifting of Ranaghat Goods Shed.

17. Surveys for investigating construction of another Rail Bridge across the Ganga in the reach between Kanpur-Allahabad-Mokameh-Monghyr.

18. Engineering Traffic survey for doubling of approaches to Rajendra Pool near Mokameh.

19. Techno-economic survey for provision of a Subsidiary depot yard at Ukhra with auxillary facilities for bypassing Andol.

20. Techno-economic survey for doubling the line between Ranaghat and Kalinarayanpur and shifting goods shed at Ranaghat.

21. Techno-economic survey for a combined container terminal for Eastern Railway to serve Calcutta-Howrah industrial area.

#### NORTHERN RAILWAY

22. Engineering survey for doubling between Sonapat and Panipat (45 kms.).

23. Engineering-cum-Traffic Survey for B.G. Container Terminal at Delhi.

24. Restoration of avoiding line between Jeonathpur and Vyas Nagar bypassing Mughalsarai yard-Preliminary Engineering-cum-Traffic survey.

25. Final location Engineering-cum-Traffic survey for bypass line and route relay interlocking at Lucknow.

26. Preliminary Engineering-cum-Traffic survey for provision of 3rd line between Sahibabad and Ghaziabad and fly-over at the eastern end of Ghaziabad yard.

27. Traffic-cum-Preliminary Engineering survey for provision of second approach to New Delhi and Delhi Main Railway stations and allied facilities.

**NORTH-EASTERN RAILWAY:**

28. Survey for replacement of the Kosi Project NG line from Bhim Nagar to Bathraha by MG.
29. Preliminary Engineering-cum-Traffic survey for conversion from MG to BG of Varanasi-Allahabad.

**SOUTHERN RAILWAY:**

30. Engineering-cum-Traffic Survey for the provision of Rail facilities BG and MG Marshalling and Exchange Yard in connection with the location of Steel Plant near Salem.
31. Preliminary Engineering-cum-Traffic survey for the third line between Villivakkam and Trivellore.
32. Proposed Engineering and Traffic Surveys for terminal facilities at Cochin.
33. Proposed Traffic Survey for conversion of Salem-Bangalore Railway from MG to BG.
34. Engineering-cum-Traffic survey for provision of Rail facilities in connection with the location of Steel Plant near Hospet.
35. Traffic facilities at Bangalore City.
36. Conversion of Bangalore City-Mysore Section from MG to BG.
37. Work study for the development of Terminal Facilities at Cochin area.
38. Work study for the development of Terminal Facilities at Coimbatore area.

**SOUTH CENTRAL RAILWAY:**

39. Engineering-cum-Traffic survey for line capacity works in Hospet-Gadag-Bagalkot Section.
40. Traffic survey for conversion of Guntur-Guntakal Section.
41. Traffic-cum-Engineering survey for conversion of Hospet-Goa, Londa-Miraj and Alnawar-Dandeli Section from MG to BG.
42. Engineering-cum-Traffic survey for avoiding line from Bibinagar to Sanatnagar by-passing Secunderabad.
43. Preliminary Engineering-cum-Traffic survey for conversion of BG of Miraj-Kurduwadi-Latur and BG line from Latur to Latur Road.



**SOUTH-EASTERN RAILWAY:**

44. Preliminary Engineering-cum-Traffic survey to provide rail facilities for proposed steel plant at Visakhapatnam and optimising the capacity of the Kottavalasa Kirandul line.

45. Survey for conversion of N. Section of Satpura NG line to BG.

46. Engineering-cum-Traffic survey of Bhilai complex in conversion with the additional facilities required on account of expansion of Bhilai steel plant production.

47. Engineering-cum-Traffic survey for provision of additional goods handling capacity at Shalimar.

48. Engineering-cum-Traffic survey for a provision of suburban terminal facilities in Calcutta.

49. Preliminary Engineering-cum-Traffic survey for the Rail facilities required in connection with expansion of Bokaro Steel Plant Production.

50. Preliminary Engineering-cum-Traffic survey for the proposed doubling between Anuppur and Bilaspur.

51. Engineering-cum-Traffic survey for expansion of yard facilities for TISCO.

52. Traffic survey for conversion of Ranchi-Lohardaga NG section into BG.

53. Engineering-cum-Traffic survey for conversion of Purulia-Karashila section from NG to BG.

**WESTERN RAILWAY:**

54. Traffic survey for conversion to BG of the MG section between Sabarmati and Delhi.

55. Final location survey for providing double line on bridge Nos. 142, 226, 317 and Panchpipliya tunnel on Ratlam Division and bridge No. 624 on Mahi River on Baroda Division.

56. Preliminary Engineering-cum-Traffic survey for providing bye-pass line connecting Vishwamitri with Bajuwa.

57. Final location survey for providing quadruple line between Borivli and Virar in Bombay suburban section.

58. Engineering-cum-Traffic survey for remodelling of Bombay Central Yard.

59. Engineering survey for location for construction of a bridge over Vasai Creek.
60. Engineering-cum-Traffic survey for terminal at container at Bandup.
61. Traffic survey for (1) construction of MG Branch line from Shahlaji Road to Modasa and Kapadvanj (2) conversion of Nadiad-Kapdvank NG line into BG and its extension upto Modasa.
62. Engineering-cum-Traffic survey for the study of the entire yard for remodelling and additional facilities including facilities for through traffic at Ratlam.
63. Traffic survey for conversion of (a) Chhota-Udaipur Pratapnagar NG line and (b) Chhuchapura-Thankhala NG line into BG.
64. Engineering-cum-Traffic survey for (i) provision of a marshalling yard north of Bassein Road and (ii) provision of a diesel shed for shunting engines in Bombay Area.
65. Engineering-cum-Traffic survey to determine requirements of traffic over the important coal carrying routes to Western Railway.
66. Preliminary Engineering-cum-Traffic survey for the provision of a third line between Vatva and Kankaria.
67. Engineering-cum-Traffic survey of remodelling Kankaria yard to provide additional goods facilities.

## APPENDIX XIV

(vide para 6.112)

*Details of schemes for doubling of Trunk Routes in the Sixth Plan*

- I. DELHI-HOWRAH (1533km) fully doubled.  
 II. BOMBAY-HOWRAH (1968 km) Do.  
 III. HOWRAH-MADRAS (1657 km) fully doubled except second bridge over river Godavari which will be ready for opening by September, 1974.  
 IV. DELHI-MADRAS (2186 km) Double line available 1727 km.  
     Doubling in progress 95   "  
     Balance singleline 364   "

Name of Section	Length in km.	sanctioned cost	Target date	Outlay in 5th Plan	Details of balance single line
1	2	3	4	5	6
<b>1. Agra-Itarsi section:</b>					
Rairu-Sank . . . . .	9.56	108.63	Mar. 75	9.04	1. Itarsi-Bina section : Bridge portions over Eina, Betwa & Narmada rivers . . . . . 10.00 km.
Sonagir-Dabra . . . . .	9.37	161.74	June 75	19.78	2. Itarsi-Amla section:
Karonda-Dhaura . . . . .	8.75	165.58	Mar. 75	1.99	Itarsi-Ghoradongri . . . . . 70.25 "
Gher-Hetampur . . . . .	7.24	430.10	..	430.10	Maramjhiri-Bursalee . . . . . 21.75 "
Matatilla-Besai . . . . .	6.30	143.97		143.97	
<b>2. Wardha-Karipet Section :</b>					
Nagri-Bhugaon . . . . .	39.31	277.20	Mar. 76	101.73	3. Amla Nagpur section :

	1	2	3	4	5	6
Mancherial-Peddampet		8.94	(Rs. in lakhs) 144.12	June 75	(Rs. in lakhs) 76.15	Amla Chichonda Teegson Nagpur . . . . . 38.00 Kms. . . . . . 112.00 "
Balharabah-Manichgarh		5.65	173.83	Mar. 75	32.00	4. Waraha-Balharabah section: Tedali Chandrapur . . . . . 14.60 "
TOTAL		95.12	1605.17		814.76	5. Balharabah-Kazipet section: Manichgarh Dalampalli . . . . . 97.80 "
						TOTAL . . . . . 364.40 "

	1	2	3	4	5	6
V. DELHI-BOMBAY (W. RLY. ROUTE)			1384 km.	Doubling already available	1034 km.	
				Doubling in progress	330 "	
				Balance single line	20 "	

	1	2	3	4	5	6
I. Baroda-Godhra section:						
Balance single line		6.56	(Rs. in lakhs) 238.21	Oct. 74	(Rs. in lakhs) 71.41	1. Kota-Godhra section
2. Baysara-Mathura		66.43	536.52	Dec. 74	255.54	Bridge portions over Chambal, Anas and Mahi and Tunnel . . . . . 20.00 km.
3. Gauria-Lakheri Alnis-Ramganjmandi		55.03 } 49.58 }	930.81	Mar. 75	840.69	
4. Ramganjmandi-Magda		153.00	1258.27	..	1152.57	
TOTAL		330.60	2963.81	..	2320.21	TOTAL . . . . . 20.00 Km.

## VI BOMBAY-MADRAS (1276 km.)

Double line available . . . . . 417 km.  
 Doubling in progress . . . . . 110 km.  
 Balance single line . . . . . 749 km.

I . . . . . 2 . . . . . 3 . . . . . 4 . . . . . 5 . . . . . 6

		(Rs. in lakhs)			(Rs. in lakhs)		
1. Renigunta-Guntakal section:							
Bakrapet-Cuddapah		10.53			1. Dhond-Shahabad . . . . . 327.00 Km		
Renigunta-Balapalle		24.07	May 76	512.32	2. Wadi-Guntakal . . . . . 229.00 "		
Gooty-Guntakal.		28.55					
Gooty-Rayalacheruvu		23.45		489.47	3. Guntakal-Renigunta (balance single line) 193.00 "		
Kondapuram-Muddanuru		23.45					
TOTAL		109.95		1010.79	TOTAL . . . . . 749.00 "		
				4145.76			

**APPENDIX XV**

*(vide para 6.124)*

*Details of New lines/Restoration Schemes to be taken up in Fifth Plan*

RAILWAY/ NAME OF THE PROJECT	ESTIMA- TED COST  (Rs. in Crores)	THROW FORWARD IN 5TH PLAN	EXPECTED RETURN PERCENTAGE	TARGET DATE OF COMPLE- TION
1	2	3	4	5
<i>Central</i>				
1. Wani-Chanaka (BG)	5.30	5.25	8.99 % by DCF	31-12-76.
2. Bassein Road-Diva(BG)	12.74	10.69	6.8 by Conventional method,	1-6-76.
<i>Eastern</i>				
3. Howrah-Sheakhala	3.50*	1.75	2 to 3 with Elec. traction,	1-4-77.
4. Sub-structure for double line railway bridge over Farakka	4.0	4.0	8.03 by Conventional method,	
<i>Northern</i>				
5. Kathua-Jammu (BG)	14.14	0.44	7.24 in 11th year by conventional me- thod.	2-10-72, (opened)
6. Shahdara-Saharanpur BG line in the area served by the former Shahdara-Sa- haranpur Lt.Rly.	17.42**	8.71	Slightly less than 10 by DCF method,	1-4-78.
7. Gohana-Panipat BG Restoration	2.28	1.63	Less than 1 (DCF)	1-4-77.
7A. Dalmau-Daryapur(BG Restoration)	1.48	1.33	Do.	Do.
<i>Northeastern</i>				
8. Saraigarh-Pratapganj (MG Restoration)	1.61	1.17	3.4	June, '74'
9. Pratappganj-Forbesganj (MG Restoration)	3.27	3.17	3.4	1-4-77
10. Bagaha-Chhitauni(MG)	6.74	6.60	11.3	1-4-1979.
<i>Northeast Frontier</i>				
11A. Restoration of Haldi- bani-Jalpaiguri and Lata- guri-Dandhari branch lines	0.44	0.34	8.98	

\* 50% of the cost to be borne by the West Bengal Government.

\*\* 50% of the cost to be borne by the U.P. State Government.

	1	2	3	4	5
<i>Southern</i>					
11. Mangalore-Hassan(MG)	35.87 (Rev.)	8.98	2.60 in 11th year by Con. method.		Dec. 1976.
12. Tornagulla-Mudukalapa- penta (BG)	3.30	1.12	10-15		July 1973.
13. Tirunelveli-Trivandrum/ Kanyakumari BG	14.83	10.33	8 by Con. method.		March 1977.
<i>South-eastern Railway</i>					
14. Rail link to Haldia Port	8.75	0.69	8.35 in 11th year by Con. method.		Dec. 1975.
15. Kottavalasa-Baladilla BG	59.87	0.38	4.98 in 11th year by Con. method.		Already opened to traffic.
16. Cuttaok-Paradeep(BG)	10.09	2.94	10.43 by Con. method,		June 1975.
17. BG line in the area served by the former Howrah-Amra Lt. Rly./ Bargachia-Champadanga Br.	12.16*	6.08	Less than 0% by DCF method,		1-4-77.
<i>Western Railway</i>					
18. Guna Maksi BG	10.51 (Rev.)	1.35	(—) 4.23 by Con. method.		1975-76
19. Dabra-Singhana (MG)	2.79	0.67	6.75 Con. method.		Opened to traffic on 15-6-74.
20. Sabarmati Gandhinagar	2.85	1.42	5.75 Con. method.		June 1975.

The following new works have been proposed to be taken up in 1974-75.

Railway/Name of Project	Cost (Rs. in crores)	Outlay in 1974-75	Target date of completion	Return (percentage)
1	2	3	4	5
<i>Northern Railway</i>				
1. Rohtak-Bhiwani	6.13	0.10	Mar. '79	0.6 in 6th year.
<i>North-eastern</i>				
2. Hassanpur-Sakri (NG)	4.73	0.10	June 76.	0.73.

\* 50% of the cost to be borne by the West Bengal Government.

1	2	3	4	5
3. BG Link to Ramnagar and Kathgodam	15.0	0.15	Mar. 77	0.04 in 6th year for Rampur to Haldwani Kathgodam.
4. Jhanjharpur-Laukahbeazar MG	2.93	0.10	30-4-75	2.1.
<i>South Central</i>				
5. Bibinagar-Nadikude (BG)	13.47	0.15	1-4-79	With land being given free of cost and 50% inflation of rates the line is financially remunerative.
<i>South-eastern Railway</i>				
6. Banspani-Jakhapura (BG)	39.00	0.05	1-4-80	Survey is in progress and actual return is not known.



## APPENDIX XVI

(Vide para 6-132)

*Conversion Projects carried over from the 4th, Five Year Plan and sanctioned in the first year of the Fifth Five Year Plan of Railways*

Name of the Work	Approx. cost (Rs. in crores)	Rate of Return	Remarks
1. Barabanki-Samastipur	47.12	6.55% (in 6th year by Conventional methods)	Return is marginally short of 6.75% fixed for remunerative projects.
2. Virangam-Okali-Portbandar	42.93	6.75% (in first year by conventional methods)	Remunerative
3. Guntakal-Bangalore	17.59	8.2% by D.C.F. Method.	The project will become remunerative (i.e. Return 10% by DCF) with 25% inflation of rates.
4. Ernakulam-Quilon-Trivandrum	13.33	6.1%	Return marginally short of remunerativeness. However since this line is saturated conversion will be a least cost solution as compared to doubling of the existing MG.
5. Manmad-Purivajinath	28.00	Not known	Unremunerative—sanctioned for development of backward areas.
6. Samastipur-Darbhanga	4.75	0.5%	However with 50% inflation of charges and land being given free of cost by the State Government, the work is expected to be financially remunerative.
7. Bongaigon-Gaohati	24.7	4.5%	
8. Guntur-Macherla	8.21	4% (approx.)	

## APPENDIX XVII

(vide para 4 of Introduction)

### *Summary of Recommendations/Conclusions contained in the Report*

S. No.	Reference to Para No. of the Report	Summary of Recommendations/Conclusions
1	2	3
1	1.9	The Committee note that in the absence of sufficient and reliable basic data, it has not been found feasible to fix Railway-wise (Zonal) traffic targets for the Plan period as a whole. They also note that fixation of these targets is done "more on the basis of past performance and known developments in the areas served by each Zonal Railway rather than on detailed information of the requirement of rail transport of the rail users, which unfortunately is available."
2	1.10	The Committee further note that during the Fourth Plan period and earlier, the machinery available on the Zonal Railways and on the Divisions was not adequate for the purpose of assessment of traffic needs of the users. As the Railways have been handicapped for want of sufficient data from the concerned Ministries and other principal rail users, the Railway Board have now taken steps to strengthen the planning machinery on the Zonal Railways by setting up Central Planning Organisations. Detailed transport planning studies for major commodities are also stated to have been undertaken to make planning more realistic.
3	1.11	The Committee recognise that Railway Planning is largely derivative planning base on development programmes of and assessment of

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traffic given by the various Ministries, but the experience of the long past shows that the forecast of traffic given in this manner has often gone off the mark. The Committee wish to emphasise that the estimates of traffic as given by different Ministries should be subjected to a detailed scrutiny by the Planning Commission in consultation with the Railway Board, who should get feed back from the Zonal Railways based on their local knowledge. The Committee trust that the setting up of Central Planning Organisations at the Zonal Level would go a long way in making Railway plans more realistic.

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1.12

As pointed out by the Public Accounts Committee in their various Reports\* on Railways and more recently by the Indian Institute of Management in their study of the Western Railway, the Railways tend to over-estimate their goods traffic and earnings without due regard to the competitive conditions. The Committee agree with the observations of the Institute that the Railways should make a systematic assessment of the total freight business by major product categories and set targets at the field level with full involvement of the people who have to achieve them. The detailed transport planning studies stated to have been undertaken recently by the Railway Board should, therefore, be completed expeditiously and updated from time to time with the help of the field agencies at the Divisional and Zonal levels.

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1.13

The Committee would like to stress that the Railways after having set various targets as a result of such detailed studies should ensure

\* 22nd Report (Fourth Lok Sabha)—paras 1.27 & 1.28

49th Report (Fourth Lok Sabha)—paras 1.11 & 1.12

116th Report (Fourth Lok Sabha)—paras 1.23 & 1.25

45th Report (Fifth Lok Sabha)—para 1.14

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their achievement by providing necessary incentives to the officers concerned who should be held accountable for lapses, if any. The targets and achievements should be critically reviewed every year and corrective measures taken, as necessary. These should also be mentioned specifically and in detail in the Annual Reports of the Railway Board/Zonal Railways.

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1.24

The Railway Convention Committee, 1971 in paragraph 1.30 of their Fifth Report on "Requirements and Availability of Wagons" had stressed the need to evolve a suitable criterion in the matter of laying down targets either in terms of originating tonnage or net tonne kms. or both in consultation with the Ministry of Finance and the Planning Commission so as to leave no room for ambiguity in this behalf in the Fifth Plan. In their 7th Report on action taken by Government on the above Report of the Railway Convention Committee, 1971, the (present) Committee have observed:—

"The Committee feel that the performance of a Department has to be evaluated in relation to the targets fixed and in this case, as the target was fixed in terms of originating tonnage, the evaluation of the performance will have to be done in terms of the originating traffic and any other factor like lead of traffic is merely incidental. The Committee, are, therefore, of the view that the explanation of the Railways that in terms of Net Tonne Kilometres they have achieved very nearly the target is a laboured one as the increase in the lead of traffic has come about by fortuitous circumstances, the Railways having

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		never taken this factor into account at the planning stage."
7	1.25	In this connection, the Committee have noted with interest the observations of the representative of the Ministry of Railways that if the Railways had been required to haul 240 million tonnes of originating traffic and if the lead had also gone up beyond 630 kms., "there would have been transport bottleneck".
8	1.26	The Committee would, therefore, once again emphasise that for drawing up a realistic plan, it is essential to specify the total dimensions of the transportation job which, in this case, is possible only when both the originating tonnage and the distance over which each major commodity would be required to be carried, are ascertained scientifically in advance as a result of detailed studies.  The Committee would, therefore, reiterate the need for the Ministry of Railways and the Planning Commission to address themselves squarely to this task so as to overcome this deficiency in Railway Planning as expeditiously as possible and provide firm basis for investment decisions and for evaluating performance.
9	2.6	The Committee observe that the actual expenditure during the Fourth Plan period exceeded the mid-term Plan provision of Rs. 1,400 crores by Rs. 19.5 crores. The increased expenditure has been attributed to escalation in prices during this period.
10	2.7	The Committee, however, note that at the time of Mid-Term Appraisal when the target of originating traffic was lowered from 264.7 million tonnes to 240.5 million tonnes, the Plan outlay was also reduced from the original outlay

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of Rs. 1,525 crores to Rs. 1,275 crores. This was subsequently raised to Rs. 1,400 crores (the traffic target remaining the same), mainly to take care of the escalation, in prices. In spite of this, the expenditure has exceeded the Plan outlay. Furthermore, as indicated in Chapter V of this Report, there have been heavy shortfalls in attaining some of the key physical targets during the Fourth Plan. The Committee are constrained to observe that the whole matter requires a fresh approach so that a careful and critical appraisal could be undertaken in respect of the investments made by the Railways in various sectors with a view to taking necessary remedial measures for the future.

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2.37

The Committee observe that during the Third Five Year Plan, the outlay originally approved for the Railways by the Planning Commission was Rs. 1,325 crores for an estimated originating traffic of the order of 248.9 million tonnes—an increase of 92.7 million tonnes over the originating traffic of 156.2 million tonnes carried in 1960-61 i.e. by about 59 per cent. The outlay was stepped up to Rs. 1,581.5 crores at the time of mid-term appraisal while the target of originating traffic was lowered to 245 million tonnes. The actual expenditure during the Third Plan was Rs. 1,685.8 crores i.e. an excess of more than Rs. 360 crores over the original outlay while the originating traffic carried by the Railways in 1965-66 i.e. the last year of the Third Plan was only 203.1 million tonnes—a shortfall of about 46 million tonnes over the original anticipations.

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2.38  
and 2.39

The Committee also note that during the three inter-Plan years i.e. the years preceding the Fourth Plan, a further investment of Rs. 763 crores was made by the Railways while the originating traffic went down to 201.6 million tonnes in 1966-67 and still further to 196.6

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		million tonnes in 1967-68. It, however, rose to 294 million tonnes in 1968-69.
		The Committee further observe that according to original anticipations, with an outlay of Rs. 1,575 crores, the Railways were expected to carry originating traffic of the order of 264.7 million tonnes by the end of the Fourth Plan i.e. an increase of 60.7 per cent million tonnes over 1968-69. At the time of mid-term appraisal, the target of originating traffic was lowered to 240.5 million tonnes and the outlay was also reduced to Rs. 1,400 crores. The actual expenditure, as stated earlier, was Rs. 1,419.5 crores while the traffic carried was 207.9, 196.5, 197.8, 201.3 and 184.9 million tonnes during the years 1969-70, 1970-71, 1971-72, 1972-73 and 1973-74 respectively.
13	2.40	The Committee further note that the average lead of traffic which stood at 561 kms. in 1960-61 rose to 678 kms. in 1972-73 but came down to 662 kms. in 1973-74 which was the last year of the Fourth Plan. In terms of net tonne kms. the originating traffic carried by the Railways has gone up from 87.68 billions in 1960-61 to 116.9 billions in 1965-66, 125.1 billions in 1968-69 and 136.3 billions in 1972-73 but came down to 122.3 billions in 1973-74.
14	2.41	The Committee are constrained to note that the anticipations of the Planning Commission and the Minister of Railways in regard to originating traffic in the Fourth Plan have proved to be wide off the mark just as they did in the Third Plan. The shortfall was as much as 79.8 million tonnes with reference to the original target and 55.6 million tonnes <i>vis-a-vis</i> the revised target. In fact, the traffic has stagnated around 200 million tonnes and is still far short of the anticipation of 240 million tonnes made at the time of formulation of the Third Plan i.e.

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		<p>as far back as in 1960-61. A relieving feature of the situation, however, is the unexpected increase in the average lead of traffic which has gone up by about 49 kms. during the last five years (55 kms. on the basis of 1972-73 figures), thereby inflating the figures of net tonne kilometres carried.</p>
15	2.42	<p>As pointed out earlier, the increase in lead was not specifically mentioned in the Plan document. The Committee would, therefore, like the Ministry of Railways and the Planning Commission to lay down henceforth specific commodity-wise target both in terms of originating tonnage and net tonne kms. so that investment could be related to carefully assessed needs and the Railways' performance also properly evaluated.</p>
16	2.43	<p>The Committee observe that the Railways have been budgeting for an annual increase of 12 to 15 million tonnes in the Fourth Plan period but the originating traffic has consistently fallen below the targets. Even taking into consideration the revised targets finalised at the time of Mid-Term Appraisal in January, 1971, the Committee find that the originating traffic fell short of the targets by 2.5 million tonnes in 1970-71, 12.2 million tonnes in 1971-72, 25 million tonnes in 1972-73 and as much as 55.6 million tonnes in 1973-74. The Committee are, therefore, unable to accept the contention of the Ministry of Railways that had Railways carried 215 million tonnes at an average lead of 678 kms. as envisaged for the last year of the Fourth Plan, they would have been within 1 per cent of the prescribed target. In fact, the budgetary anticipations for the last year of the Plan were highly over-pitched and could hardly be considered realistic in the context of the Railways' performance in the earlier years of the Plan, the stagnation in the economy of</p>



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which the Railways were undoubtedly quite aware and last but not least, the labour problems besetting them. The Committee, are, therefore, driven to the conclusion that the methodology of forecasting the estimates of growth of traffic from year to year, not to speak for the plan as a whole, leaves much to be desired inspite of Railways' long experience in this field. The Committee, however, note that in the interest of co-ordinated planning, the Railways have necessarily to take into account the targets and requirements as set out by the respective Ministries/Departments and the Planning Commission to obviate any distortion of the planning process. The Committee would, therefore, like the Ministry of Railways to study the matter in depth and take appropriate corrective measures to ensure that the forecasting of growth of traffic is done on a scientific and rational basis in future.

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2.44

In regard to the question of additional capacity created as a result of the investments made during the five year plans, the Committee note that "no specific assessment of the capacity of the Railways for carrying freight traffic as at the end of the Third Plan appears to have been made." However, so far as the Fourth Plan is concerned, the Railways have built up a capacity (in terms of wagons and locomotives) of lifting about 215 million tonnes of freight traffic at an average lead of 678 kms. i.e. 146 billion Net Tonne Kms. So far as line capacity is concerned, the Committee, learn that "no such assessment is possible unless specific details of origin and destination of various streams of traffic are available"

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Since 75 per cent of the total revenue-earning traffic is traditionally accounted for by 8 commodities which move in bulk on a programmed basis,

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		the Committee consider that the Railways should have made a detailed assessment in conjunction with the concerned Ministries and field organisations, on the basis of origin-destination-wise linkage; in any case this should be done now.
19	2.46	The Committee would also like the Ministry of Railways to initiate, without delay, detailed study of the freight carrying capacity including line capacity built up by them, Section-wise, and the extent to which the same is utilised so that the areas where such capacity exists or falls short of the requirement, could be clearly identified and future investments regulated accordingly. This study may be completed within six months' time and the findings thereof reported to the Committee immediately thereafter.
20	2.63	The Committee note that expenditure under the Plan heads 'Rolling Stock, Signalling & Safety works', 'Other Electrical Works', 'Users' Amenities', 'Investments in Road Services' and 'Inventories' has exceeded the revised Plan outlay—the total excess being of the order of as much as Rs. 96.62 crores. The maximum excess has occurred under the head 'Inventories' where the actual expenditure was five times the Plan allocation and exceeded the provision of Rs. 15 crores by as much as Rs. 59.09 crores.
21	2.64	The Committee observe that an increase of Rs. 35.34 crores occurred during the Plan period under the Workshop Manufacture Suspense Accounts and that preliminary investigations have revealed that on the Eastern Railway an increase of Rs. 8.72 crores in the closing balance as on 31-3-1974 occurred because the prescribed procedures regarding accountal of Workshop Manufacture Suspense holdings and disposal of surpluses/scrap have not been followed and that the matter is being investigated by a Committee

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		of Administrative Officers. The Committee would like to be informed about the findings of this Committee and the action taken by Railways in pursuance thereof.
22	2.65	The Committee further observe that an adverse balance of Rs. 8.21 crores has occurred in the Diesel Locomotive Works, Varanasi as a result of production targets not being achieved. The Committee also find that an adverse balance of Rs. 11.97 crores in the Chittaranjan Locomotive Works is stated to be due to build-up of development suspense of Rs. 10 crores which does not represent materials actually in shops under processing.
23	2.66	The Committee take a serious view of the abnormal excesses of expenditure over the Plan provisions in respect of a number of heads, particularly the "Inventories". The Committee would like the Ministry of Railways to take expeditious follow-up action in the light of the Report of the High Powered Committee on Inventory Management on the Railways so as to ensure that the stores procedures are streamlined in consonance with modern concepts of materials management. They would like Parliament to be kept informed of the action taken by Government in this regard as early as possible.
24	3.11	The Committee observe that the shortfall in steel plants' traffic during the Fourth Plan was 15.7 million tonnes with reference to the original target and 7 million tonnes with reference to the revised target. The maximum traffic carried in the penultimate year of the Plan was 23.7 million tonnes which is the same as carried in the last year of the Third Plan. The shortfalls are stated to be due partly to Railways' own difficulties and partly due to less intake of

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		<p>materials and less production in the steel plants which apart from power shortage had their own problems.</p>
25	3.12	<p>The Committee find that as the investment for carrying additional traffic anticipated for the Steel Plants in the Fourth Plan has already been made and therefore, they presume that there will already be now a built-up capacity to carry 29 million tonnes of steel plants traffic. The Committee stress that a detailed assessment of each of the Steel Plants with linkages of raw materials and distribution of finished products should be carried out, year-wise, in consultation with the Steel Plants and action taken to resolve in time any bottlenecks which come in the way of meeting the traffic requirements. The Committee presume that ordinarily there should be no case for making any additional heavy investments over and above those already made in the successive plans and the capacity should be far in excess of that being utilised at present.</p>
26	3.19	<p>The Committee observe that the daily average loading of coal, both in Bengal-Bihar coalfields and the outlying fields has fallen short of targets by 599 wagons (in terms of 4-wheelers) in 1969-70, 1294 wagons in 1970-71, 1020 wagons in 1971-72, 817 wagons in 1972-73 and 1160 wagons in 1973-74. While the targets for the outlying coalfields were surpassed in the last two years of the Plan, there have been heavy and persistent shortfalls in loading in Bengal-Bihar coalfields throughout the Plan period ranging from 358 wagons per day in 1969-70 to 1188 wagons in 1973-74. This is in spite of the fact that the target for the last year of the Plan was itself reduced by 300 wagons per day but for which the shortfall would have been as high as 1460 wagons per day.</p>

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27	3.20	While conceding that 1973-74 was an abnormal year for the Railways, the Committee would like to point out that there have been persistent short-falls in the earlier years of the Plan as well including the year 1969-70 which was the best year so far as the Railways' performance during the Fourth Plan is concerned.
28	3.21	The Committee observe that the Railways had lifted 66.7 million tonnes of coal at the end of the Third Plan <i>vis-a-vis</i> the original target of 91.4 million tonnes and the revised target of 89 million tonnes. The original target of 84.4 million tonnes for the Fourth Plan which itself was 4.6 million tonnes less than the revised target for the Third Plan, was scaled down to 77.5 million tonnes and could, therefore, not be considered at all ambitious. In fact, the Railways had spent Rs. 360 crores more than the outlay provided for them in the Third Plan which is sufficient reason to believe that the capacity available with them was in excess of requirements. With the additional investments made by the Railways on rolling stock and line capacity works in the Fourth Five Year Plan and in the three inter-Plan years preceding it, the total capacity and cushion that the Railways already had at the end of the Third Plan has surely increased.
29	3.22	While the Committee do recognise that the power shortfall, Indo-Pak conflict, staff agitations and the difficult law and order situation in the Eastern Region and a variety of other factors have adversely affected the Railways operations, particularly in the matter of loading Coal, they are constrained to point out that the shortfall in the availability of Coal with the respective consumers has had a crippling effect on the industrial development of the country. The Committee,

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		however, understand that the entire gambit of Coal transport by rail in the country has been recently studied in depth by two Coal Transport Study Teams appointed by the Ministry of Railways. The Committee emphasise that the recommendations made by these Study Teams should be expeditiously examined and implemented by the concerned Ministries so that there are no more bottlenecks in the rail transport of Coal in the remaining years of the Fifth Five Year Plan.
30	3.32	The Committee are concerned to note that there were shortfalls of 1.5 million tonnes and 2 million tonnes in the movement of coal to steel plants and washeries <i>vis-a-vis</i> the revised targets of 13 million and 7.5 million tonnes respectively to be achieved by the end of the Fourth Plan. The total shortfall was as much as 11 million tonnes compared to the original target of 28 million tonnes of coal for both steel plants and washeries.
31	3.33	The Committee observe that the supply of coking coal to the steel plants fell short of their requirements by 2.18 million tonnes in 1969-70, 2.35 million tonnes in 1970-71, 2.36 million tonnes in 1971-72, 0.61 million tonnes in 1972-73 and 2.14 million tonnes in 1973-74. The Committee note that the shortfalls were due partly to less intake of coking coal by the Durgapur and Bhilai Steel Plants due to difficulties with the coke oven batteries and partly due to less production in the mines and washeries due to inadequate power availability. The strained industrial relations on the Railways are also stated to have slowed down the movement of coal to the steel plants temporarily in the latter part of 1973-74.

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32	3.34	<p>In para 4.30 of their 68th Report (Fifth Lok Sabha) on Availability and Distribution of Coal, the Estimates Committee have observed:</p> <p>“The Committee also note that the total daily requirement of coal by the steel plants is of the order of 36,000 tonnes which requires 2700 rail wagons to be loaded per day. They regret that from August 1973, coal movement did not keep pace with the requirements and on several occasions, coal stocks were depleted at the steel plants on account of dislocation of the railway services. In January, 1974 the daily average loading was only 1,933 wagons, against the actual requirement of 2700 wagons per day and consequently the stocks of coal went down from 1,47,000 tonnes (as on 1-1-74) to 1,15,000 tonnes as on 1-2-1974”.</p>
33	3.35	<p>The Committee cannot too strongly urge the need for streamlining the movement of coking and blendable coals to the Steel Plants, so as to meet their requirements in full in the interest of sustaining production at the optimum level. In this connection, they would like to reproduce the following observations made by the Estimates Committee in paras 2.85 and 2.86 of their 78th Report (Fifth Lok Sabha) on the Ministry of Steel and Mines:—</p> <p>“The Committee are distressed to note that irregular supply of coal, particularly, the medium coking coal, has been one of the reasons for shortfall in production of steel. The inadequate supplies were due both on account of</p>

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lack of availability of coal as also its movement to the steel plants.

The Committee would like to stress that assured and uninterrupted supply of coal is basic for steel production and it is therefore, necessary that linkages for supply of coal to the steel plants should be definite, firm and effective in the interest of smooth and efficient functioning of the steel plants. In this connection, the Committee would like to emphasise that in fixing the linkages, it should be ensured that the steel plants are linked to the nearest coal-field so as to reduce the lead time and transportation cost involved. The Committee would further like Government to review the linkages from time to time with a view to remove bottlenecks that may crop up with the passage of time".

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3.46

The Committee observe that there was a shortfall of 11.7 million tonnes in the supply of coal to 'Others' *vis-a-vis* the target of 42 million tonnes (revised) during the last year of the Fourth Plan and that the supply did not exceed 34.3 million tonnes during any of the preceding five years.

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3.47

The Committee further observe from the statement given in para 3.37 that the movement of coal by road has gone up from 10.09 million tonnes in 1969-70 to 19.89 million tonnes in 1973-74 i.e. almost 100 per cent, whereas the total despatches have gone up only by

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		about 4.5 per cent in this period. As the cost of haulage by road is considerably higher than that by rail, it is obvious that non-availability of wagons has compelled the industry to resort to road transport. The Committee are, therefore, unable to accept the contention of the Ministry that the quantity of coal left for movement by rail was not sufficient for Railways to achieve the target of 77.5 million tonnes.
36	3.48	In their 68th Report (Fifth Lok Sabha) on the Availability and Distribution of coal, the Estimates Committee have pointed out that apart from heavy shortfall in supply of coal to the steel plants and the cement industry, the supply of coal to thermal power stations has been very erratic during the Fourth Plan period; there have been heavy shortfalls in the supply of coal to the brick kiln industry and also in supply of hard coke to other consumers and that there is an enormous gap between demand and supply of soft coke in most of the States.
37	3.49	As Government would undoubtedly take appropriate action on the recommendations of the Estimates Committee, the Committee do not wish to dilate on the subject except to add that in view of the considerable increase in coal production envisaged in the fifth plan, the Railways should ensure that the requirements of the industry, the thermal power stations, domestic consumers and other small users are met fully and in time.
38	3.67	The Committee note that the Railways started experiencing difficulties in obtaining adequate supplies of steam coal from early

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1973 and in spite of several communications to the concerned authorities and high level discussions, the position continued to deteriorate. In order to meet the minimum essential requirements of the industry, the Railways were finally compelled to curtail their own services w.e.f. 1st November, 1973. The worsening labour situation on the Railways which culminated in an all-India strike in May, 1974 led to further curtailment of the services in April, 1974. The total number of trains which stood cancelled as on 1-5-74 was as many as 1078 pairs out of a total of 1738 pairs of non-suburban passenger trains run daily by the Railways. In spite of rapid restoration of normalcy on the Railways, the supply position of coal did not improve till November, 1974 and as many as 284 pairs of trains which represent about 16 per cent of the normal non-suburban services still remained to be restored till about the end of that month. The Committee further note that the loss of passenger earnings to the Railways due to cancellation of trains has been assessed to be about Rs. 16.57 crores in 1973-74.

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3.68

The Committee observe that the loco coal requirements of the Railways during the Fourth Plan period were anticipated to come down gradually from 16.2 million tonnes in 1969-70 to 14.04 million tonnes in 1973-74. However, due to the oil crisis, it became necessary to reduce the condemnation of steam locomotives and hence the requirements of loco coal were estimated at 14.9 million tonnes for the last year of the Plan. While the requirements were met in full in the earlier years of the Plan (except in 1970-71 when there was a small shortfall of 0.7 million tonnes), the supplies made in 1973-74 fell short of the revised

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requirements by 1.2 million tonnes. Against an average daily requirement of 1800 wagons (BG-4-Wheelers), the Railways were supplied 1639 wagons during that year i.e. 161 wagons short of their daily requirements. According to the Railways, despite a marginal reduction in their requirements, a large number of trains continued to remain cancelled so as to meet the minimum essential demands of the industries whose requirements are stated to be apparently going up at a much faster pace.

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3.69

In paragraph 4.52 of their 68th Report (Fifth Lok Sabha) the Estimates Committee have observed:—

“The Committee are surprised to note that the figures\* of demand and supply of coal to Railways furnished to them, do not indicate any shortfall in overall supplies of coal to the Railways. It is, therefore, paradoxical that while on the one hand the demand of coal for the Railways appears to have been met fully, there have been persistent shortfalls in availability of coal to the

NOTE : \*According to the data furnished to the Estimates Committee, the demanded and supply of coal to the Railways during the Fourth Plan period was as under

(in million tonnes)

	Demand	Supplies
1969-70 . . . . .	16.20	16.62
1970-71 . . . . .	16.00	15.56
1971-72 . . . . .	14.90	15.84
1972-73 . . . . .	14.20	15.28
1973-74 . . . . .	13.40	13.92

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Railways resulting in cancellation of train services causing inconvenience to travelling public. It appears to the Committee that shortfall in coal supplies to the Railways may be partly due to the Railways' demand for coal as originally projected, being on the low side. The Committee would urge that a thorough probe into the circumstances in which the Railways experienced shortfall in supplies of coal should be made by Government to find out whether it was due to inadequacy in fore-casting of demand by Railways, production deficiencies or transport bottlenecks etc. and should devise effective remedial measures to ensure against recurrence of such situations."

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3.70

The Committee would like to point out that there is a marked discrepancy in the figures of anticipated requirements and actual supplies of loco coal to the Railways as furnished by the Railway Board to the Estimates Committee and to this Committee. While, according to the information given to the Estimates Committee, the Railways' requirements were met in full, according to the information now given to this Committee, there was a shortfall of 1.2 million tonnes in 1973-74. The Committee, therefore, endorse the recommendation of the Estimates Committee that there should be a probe into the matter to ascertain the circumstances in which the Railways experienced shortage of coal resulting in cancellation of a large number of trains. Since the position has now improved, both in production and movement of coal, there is no valid reason why the train services should continue to remain suspended.

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42	3.71	The Committee would like Government to confirm that the supply position of loco coal is now satisfactory and that all suspended services have been resumed.
43	3.72	The Committee would further like Government to inform Parliament about the demand projections of steam coal for various industries in the Fourth Plan, their actual demands (year-wise) and the extent to which these were met so that a correct overall picture is available and remedial action as called for may be taken.
44	3.80	The Committee observe that on the Eastern Railway which is the major coal loading Railway, the percentage of coal wagons not weighed varies from depot to depot and month to month. The percentage is the highest in the Katras Depot where it ranged from 45.2 to 60.1 per cent during the months July to October, 1974. The Committee understand that a directive has been issued to the Eastern Railway to ensure that coal is loaded upto the loading lines only marked on wagons, taking into consideration the density and grade of coal.
45	3.81	According to the Adviser (Transport), coal Mines Authority, "since overloading of wagons has always been a normal feature and two tonnes overload for 4-wheelers is officially permitted by Railway rules, the loss to the Nation in coal price and freight can be easily imagined."
46	3.82	The Committee would, in this connection, like to reiterate the following recommendation made by the Estimates Committee in para 5.79 of their 68th Report (5th Lok Sabha).

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		"The Committee suggest that as the sidings from which loading of coal is done, are now being rationalised, it should be possible to provide weighbridges at suitable points and obviate complaints of short despatch etc. from the consumers."
47	3.92	As the Railways' policy is to encourage colliery owners to provide weighbridges at their own cost and since all the coal mines have now been nationalised, the Committee would like the Ministry of Railways to take up the matter with the Ministry of Energy so that the weighing facilities are suitably augmented.
48	3.84	The Committee would also urge the Ministry of Railways to see that their directive to Railways to ensure loading of coal upto the loading lines keeping in view the density and grade of coal, is followed by the field authorities in letter and spirit and that any complaints in this regard are taken serious note of, in the national interest.
49	3.87	The Committee observe that the Railways' loading target of 16 million tonnes of iron ore for export for the final year of the Fourth Plan envisaged additional loading of the order of 10.8 million tonnes over the Railways' performance in the last year of the Third Plan. The maximum loading was in 1971-72 when the Railways moved 10.7 million tonnes while in the last year of the Plan it was the lowest being only 8.4 million tonnes. The Committee note that loading of export ore was affected in 1973-74 both due to Railways' own difficulties and also on account of production shortfalls in Bailadilla mines and labour troubles at Madras Port. In earlier years, the loading was affected by a variety of reasons for which the Railways state they are not responsible.
50	3.88	The Committee would like to point out that heavy capital investments have been made in

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the Third and Fourth Plans for carrying the projected traffic of iron ore for export. The shortfall is of the order of about 50 per cent in the Fourth Plan. The Committee consider that had the projections been realistic, the investments could have been diverted to meet more pressing developmental requirements. The Committee stress that before any further investment is made for meeting the projected traffic requirements of iron for export in the Fifth Plan, the capacity created already with heavy investment, should be fully taken into account.

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3.111

The Committee are constrained to observe that the number of wagons supplied by the Railways to the cement industry fell short of indents by 63,775 in 1969; 1,04,962 in 1970; 1,84,785 in 1971; 1,77,887 in 1972 and 84,569 in 1973. The number of wagons actually loaded fell short of the indents by 89,822 in 1969; 1,38,334 in 1970; 2,17,076 in 1971; 1,96,248 in 1972 and 1,08,743 in 1973. It is obvious that non-availability of wagons has considerably hampered the production of cement which is essential for industrial use as well as for construction of houses.

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3.112

In paragraph 2.47 of their 60th Report (Fifth Lok Sabha) on Availability and Distribution of Cement, the Estimates Committee have pointed out that according to the Ministry of Industrial Development a production of 5 lakh tonnes was lost during 1972 due to non-availability of wagons from the Railways. It has been further stated that during the period July—September 1973 a production of 2,53,923 tonnes was lost on account of shortage of coal. The Estimates Committee have *inter alia* observed:

“2.34. The Committee regret to note that inadequate supply of coal for cement industry has resulted in considerable loss in cement production. During the period July—September, 1973, the loss

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in production was as much as 2½ lakh tonnes of cement on this account. It is apparent that this sorry state of affairs has developed due to lack of coordination among the Ministries of Industrial Development, Steel and Mines and Railways. The Committee would urge that urgent and effective measures should be taken to ensure adequate and timely supply of coal to the cement industry so that the production of cement does not suffer on this account."

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3.113

The Estimates Committee have further observed:

"3.70. The Committee are deeply concerned to note that there is a wide gap between the demand and availability of wagons to the cement industry which has resulted in substantial loss in production of cement.

"3.71. The Committee note that Government have taken the following measures in this regard:

- (i) a Control Room has been constituted in the Railway Board to keep a close watch on wagon supply position to cement factories;
- (ii) daily wagon quotas Railway-wise and factory-wise have been fixed;
- (iii) a Committee of Secretaries keeps a watch on monthly performance.

"The Committee hope that with the steps now taken by Government there will be greater availability of wagons to the cement industry and their day-to-day demands for wagons would be largely met."



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54	3.114	While the Committee recognise the various handicaps and adverse conditions under which the Railways have been functioning in recent years, they regret to note that in spite of its being a high priority commodity, the movement of cement has suffered a great deal during the Fourth Plan. The shortfalls in movement of raw materials, particularly coal, have also resulted in considerable loss of production of cement.
55	3.115	The Committee would like the Ministries of Railways and Industry & Civil Supplies to evolve suitable and firm linkages for supply of coal and other raw materials to cement factories and for movement of the finished product to various consuming centres. The Committee cannot over-emphasise the need for maintaining close co-ordination between the Railways and the cement factories in the matter of supply of wagons on an assured basis, particularly leak proof covered wagons so as to obviate damage by wet.
56	3.118	The Committee note that there was a shortfall of 1.8 million tonnes in the targeted movement of 12 million tonnes of POL traffic at the end of the Fourth Plan. On the other hand, the lead of such traffic went up from 564 kms. during 1969-70 to 614 kms. during 1972-73. The average lead in this case is, however, less than the anticipated lead of 630 kms. for the entire originating traffic and much less than the actual overall increase that occurred during the Plan period (678 kms. in 1972-73 and 662 kms. in 1973-74).
57	3.119	One of the reasons for shortfall in loading in 1973-74 is stated to be due to heavy detention to tank wagons in steel plants. The Committee would like the Ministry of Steel and Mines to analyse the reasons for such detentions and take necessary effective measures to remove the bottlenecks in the smooth movement of rail

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		traffic in the steel plants yards in the light of the findings of the Khandelwal Committee which had recently examined the matter in depth.
58	3.122	The Committee note that the average lead of foodgrains traffic showed a sharp increase of as much as 294 kms. during the Fourth Plan period. As movement of foodgrains and fertilisers is largely sponsored by Government and enjoys high priority, the Railways have been able to meet the demands more or less currently.
59	3.123	The Committee, however, note that the loading of fertilisers showed a shortfall of 1.5 million tonnes <i>vis-a-vis</i> the revised target of 7 million tonnes and 3.9 million tonnes <i>vis-a-vis</i> the original target of 9.4 million tonnes. The Committee would like the Ministries of Agriculture and Irrigation and Railways to analyse the reasons for less materialisation of traffic in fertilisers, and devise necessary corrective measures for the future.
60	3.124	The Committee cannot too strongly emphasise the need for realistic planning in the matter of provision of rail facilities for movement of fertilisers taking note of the production of this commodity <i>vis-a-vis</i> the capacity already established and that proposed to be established in the next few years. It is also necessary to establish suitable linkages for movement of fertiliser traffic so as to avoid unnecessary cross movements.
61	3.126	The Committee find that a shortfall of 7.5 million tonnes occurred under the head 'Other Goods' <i>vis-a-vis</i> the revised target during the Fourth Plan. Compared to the original target, however, the actual materialisation fell short by as much as 13.5 million tonnes. The Committee consider that a closer scrutiny of the targets with reference to the traffic materialisation for various commodities under this head

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		is necessary for laying down realistic targets in future.
62	3.127	The Committee see no reason why it should not be possible for the Railways to carry all the essential and high rated traffic that is offered to them. They would like the Ministry of Railways to ensure that indents of wagons for such commodities are cleared expeditiously so as to obviate their diversion to road services.
63	3.129	The Committee observe that the movement of the Railway materials has shown a persistent decline during the Fourth Plan period with the result that in the final year of the Plan, the traffic fell short of the anticipation of 18 million tonnes by as much as 10.4 million tonnes. The Committee can see no reason for such excessive overestimation in respect of Railways' own traffic. They would, therefore, like the Ministry of Railways to examine in depth the reasons for wide variations in the target and materialisation thereof with a view to taking necessary corrective measures to ensure that the forecasting of Railways' own traffic is done on a more realistic basis in future.
64	4.12	The Committee observe that non-suburban passenger traffic registered a growth of 23 per cent (in terms of passenger Kms.) during the Fourth Plan period which more or less coincides with the anticipated increase of 23.06 per cent. The actual provision of resources had, however, been made to cater to an increase of about 19.8 per cent only. The Committee further observe that the net increase in coaching stock was of the order of 9 per cent only during the Fourth Plan period. Excluding the year 1973-74 when a large number of passenger trains were cancelled, the increase in vehicle

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kms. in 1972-73 over 1968-69 was of the order of 11 per cent. It is thus obvious that the increase in passenger traffic has far outstripped the provision of coaching stock and has, as a consequence, accentuated overcrowding in the passenger trains. As observed by the Committee in paragraph 6 of their Fifth Report, "this is indicative of the fact that there has been little improvement in the travelling conditions of the common third class (now second class) passengers during the last 5 years and that overcrowding on the Railways has become more or less endemic."

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4.13

The Committee regret to observe that overcrowding in second class unreserved accommodation of certain long distance trains ranges from 128 per cent to as much as 202 per cent of the seating capacity. In the light of these figures, it is not possible for the Committee to accept the contention of the Ministry of Railways that the requirements of long distance passenger traffic in the Fourth Plan were largely met. The Committee would urge that the matter should be examined at the highest level and all-out efforts should be made to eliminate overcrowding of passengers in the trains to avoid harassment to the travelling public, particularly in the second class. The Committee recommend that additional coaches should be provided on a priority basis to relieve overcrowding on trains where it has already crossed 150 per cent occupancy i.e., on Delhi-Madras, Bombay-Madras, Delhi-Amritsar, Lucknow-Katihar and Delhi-Ahmedabad routes.

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4.14

The Committee would like the Ministry of Railways to analyse the reasons as to why there was a small increase of 9 per cent only in coaching stock while provision of resources was ade-

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		<p>quate to cater for an increase of 19.8 per cent. They would like to be informed about the actual expenditure incurred on augmenting the capacity for non-suburban passenger traffic <i>vis-a-vis</i> the Plan provision and the reasons for variations.</p>
67	4.15	<p>As short distance passenger traffic is getting increasingly diverted to roads, the Committee would like the Ministry of Railways to study this matter more intensively so as to ensure that the requirements of long distance passengers are fully met during the Fifth Plan.</p>
68	4.21	<p>The Committee observe that there has been a marked decline in the occupation of First Class air conditioned coaches in almost all the trains on the important trunk routes and that, as a result, this facility has been withdrawn with effect from 1st November, 1974 from four pairs of trains, while on the Bombay-Howrah Mails (<i>via</i> Nagpur) the frequency has been reduced from daily to tri-weekly service.</p> <p>A similar trend is noticeable in regard to the occupation of A.C. Chair Car coaches.</p>
69	4.22	<p>The Committee consider that this may well be due to the steep increase in the fares for these classes of accommodation in the last two years.</p>
70	4.23	<p>The Committee consider that the occupancy ratio of A.C. First Class and Chair Car accommodation provided on a number of long distance trains needs to be continuously watched and the facility may be withdrawn wherever it is found to be below the break-even point. The Committee need hardly add that wherever such facility is withdrawn, priority should be given to provide additional second class/sleeper coaches on trains where there is heavy overcrowding.</p>

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71	4.29	<p>The Committee observe that during the Fourth Plan the number of suburban passengers increased by 29.7 per cent while the EMU passenger kms. and vehicles kms. increased by 44.8 per cent respectively. The increase in EMU coaching stock was, however, 15 per cent only. In paragraphs 2.15, 2.13 and 3.17 of their Second Report, the Railway Convention Committee, 1971 had drawn attention to the heavy overcrowding in suburban trains in Bombay, Calcutta and Madras and had pointed out that the additions to train services in these cities had not been in proportion to the increase in suburban traffic resulting in deterioration of travel conditions. They had urged that pending introduction of Rapid Transit systems in these metropolitan cities, the Railways should take crash measures to bring about improvements in the existing facilities.</p>
72	4.30	<p>In their Third Report on action taken by Government on the above Report of the Railway Convention Committee, the (present) Committee have further pointed out that according to the expert studies made by Railways there is scope for improving the frequency of services by reducing the headway between successive services and by lengthening the rake by addition of Electric Multiple Units. The Committee have suggested that as implementation of Mass Transit system may take considerable time, the Railways should take concerted measures to optimise the existing suburban services in the Metropolitan cities in order to provide at least some relief to the hard pressed millions of commuters who use these services. The Committee would reiterate the above recommendations and would like the Railways to take steps to implement the same without further loss of time.</p>

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73	4.34	<p>The Committee note that as against the original Plan provision of Rs. 48.75 crores and the revised Plan-cum-budget provision of Rs. 14.37 crores for Metropolitan Transport projects in the cities of Calcutta, Bombay, Delhi and Madras, the actual expenditure was of the order of Rs. 8.56 crores of which about Rs. 5.39 crores were spent on design and construction of Dum-Dum Tollyganj Rapid Transit line and the rest on survey investigations in these four cities.</p>
74	4.35	<p>The Committee observe that although the surveys for Third Terminal Station in Bombay city and Corridor Six Project were completed, construction could not be authorised. In Delhi and Madras further detailed data is being collected by the local authorities. In Calcutta while the proposal to have a suburban dispersal line has been dropped, the techno-economic feasibility studies for Mass Rapid Transit system also do not appear to have made much progress because of certain special problems relating to soil and climate.</p>
75	4.36	<p>In paragraphs 9 &amp; 11 of their Third Report, the Committee have observed:</p> <p>“The Committee note that the Planning Commission initiated action for preparation of comprehensive integrated plans for suburban traffic etc., for cities with a population of 10 lakhs and more only in the Third Plan. The Committee note that these plans have not yet reached a conclusive stage. Considering the urgency of the problem, the Committee cannot help observing that had Government been alive to the realities of the situation and the pressing problems of the common man, they would have initiated this process of prepara-</p>

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tion of integrated plans at least at the commencement of the Third Plan so that it provided an appropriate perspective for undertaking short term and long term measures to relieve the problem of transportation which has been responsible for generating a great deal of unrest. The Committee regret to have to point out that even now the integrated perspective plans have not yet been finalised. They cannot too strongly stress the need for early finalisation of these plans and taking of decisions in consultation with the State Authorities, Railways and others concerned about the short term and long term measures which are required to be taken to provide the hard pressed working classes in these large cities with an assured means of transport at a cost which is within their reach.

"The Committee note that out of four metropolitan cities of Calcutta, Madras, Bombay and Delhi, a concrete scheme has been finalised so far in respect of Calcutta only. The schemes for Bombay, Delhi and Madras are at various stages of finalisation. The Committee feel unhappy that these schemes for Mass Transit requirements should not have been finalised before the commencement of the Fifth Plan. The Committee would like Government to take urgent measures in co-ordination and consultation with the State authorities and all others concerned so that the schemes for Rapid Transit System are finalised and appropriate decisions taken without delay for their implementation in the Fifth Plan."



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76	4.37	The Committee would like the Ministry of Railways to inform Parliament at an early date about the steps taken in implementation of the above recommendations.
77	5.4	The Committee observe from the figures given in para 2.3 that the expenditure on new lines in the Fourth Plan was of the order of about Rs. 67 crores against the original Plan provision of Rs. 83 crores and the mid-term provision of Rs. 86 crores. There was a shortfall of 297 kms. against 1,075 kms. of new lines proposed to be completed in the Fourth Plan (including 1,022 kms. of new lines on which work was in progress at the commencement of the Plan). The shortfall is stated to be due to shortfall in supply of permanent way materials and structural steel, slowing down of some of the works to synchronise with the completion of the projects which they were to serve and due to 10 per cent cut imposed on the funds in 1973-74.
78	5.5	The Committee observe that 244 kms. of new lines already in progress at the commencement of the Fourth Plan still remained to be completed at the end of the Plan. Since the resources are stated to be limited, it is essential that the plans for new lines under execution are most carefully reviewed with a view to early completion and commissioning of such of the works which are essential from the operational point of view and the resources already committed begin to generate the expected return as early as possible.
79	5.7	The Committee observe that only 326.41 kms. of MG lines were converted and thrown open to traffic during the Fourth Plan out of a total of 1500 kms. proposed to be taken up and 750 kms. to be completed by the end of the Plan. Similarly, there was a shortfall of 447 kms. in the doubling programme against a target of about 1900 kms. The Committee would like to be informed of the precise reasons for shortfalls in

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80	5.11	<p>each case and the remedial measures being taken to expedite the completion of the projects.</p> <p>The Committee observe that there was a shortfall of 268 kms. in the Fourth Plan programme for electrification of 1200 route kms. and that two sections viz. Panskura-Haldia (69 kms.) and Bhestan-Virar (200 kms.) could not be energised during the Plan period because of delay in completion of the Haldia port in the former case and delay in completion of arrangements by the Maharashtra State Electricity Board for power supply to the two feeding posts in Virar-Valsad Section of the latter. The Committee note that though both these projects were expected to be completed by the end of 1974, work on a portion of the Panskura-Haldia section is still in progress and the entire section is now expected to be energised only by June, 1975 (the Haldia Port is likely to be commissioned in Sept., 1975). In regard to the Bhestan-Virar portion of Ahmedabad-Virar Section, the Committee would like to refer to the following observations made by the Estimates Committee in paragraph 105 of their 77th Report (Fifth Lok Sabha):—</p> <p>‘As regards the third project viz., Virar-Ahmedabad Section, the delay was partly due to delay in receipt of imported tele-communication cables and accessories and delay in power supply from the Maharashtra State Electricity Board and partly due to the need for taking up flood protection works like raising of tracks. While the Maharashtra State Electricity Board may have their own problems in regard to supply of power for the project, the Committee feel that with proper survey of routes it should have been possible for the Ministry of Railways to undertake</p>

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		flood protection works and to avoid delays on this account. Advance planning in regard to imported equipment could also have minimised the delays to a certain extent."
81	5.12	The Committee would stress the need for advance detailed planning in the interest of smooth implementation of the electrification schemes. The Committee would like both these schemes to be completed at an early date and pressed into service.
82	5.29	The Committee observe that there have been shortfalls to the extent of 1185 kms. under primary rail renewals, 3076 kms. under primary sleeper renewals and 134 kms. under secondary sleeper renewals as against the targets of 7070 kms., 10,080 kms. and 1,800 kms. respectively. The main reasons advanced for these shortfalls are general shortage of steel in the country, short supply and rising cost of permanent way materials and curtailment of funds. The Committee understand that the supply of MG rails and BG steel trough sleepers continues to be unsatisfactory due to certain technical problems faced by the steel plants and that the matter has been taken up with the Steel Authority of India Ltd. The Committee also note that a team of Directors/Jt. Directors from RDSO was deputed to the Durgapur Steel Plant to find out the difficulties in regard to manufacture of BG trough sleepers. In both the cases, Railways have now been assured of improved supplies. As the Steel plants are reported to have enough spare capacity, the Committee see no reason why there should be any difficulty in meeting the Railways' requirements in full. The Committee, therefore, suggest that in case there has been no material improvement in the situation even now, a Joint Investigating Team comprising the representatives of the Railways and the Steel Authority

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		<p>of India Ltd., may be deputed to go into the matter in depth. Government should ensure that concerted measures are taken to improve the output of trough sleepers so as to meet the requirements of Railways in full.</p>
83	5.33	<p>The Committee observe that as against the revised target of 535 locomotives programmed for manufacture in the Chittaranjan Locomotive Works during the Fourth Plan period, the actual number of locomotives manufactured was 527. The Diesel Locomotive Works, Varanasi, manufactured 445 locomotives against the revised target of 483. Thus, there was a shortfall of 46 locomotives, 42 diesel and 4 electric. The shortfall in manufacture in the Diesel Locomotive Works, Varanasi is stated to be due to restricted power supply, sporadic incidence of labour unrest, non-receipt of adequate and timely supply of electrical equipments in the initial period, restricted availability of foreign exchange, delayed receipt of imported components and tardy development of indigenous sources of supply.</p>
84	5.34	<p>The Committee note that production has suffered both at Chittaranjan and Varanasi because of inadequate supply of components from indigenous sources. The Committee suggest that this matter should be studied in depth to resolve the difficulties. They consider that the Railways also have a significant role to play in the development of ancillaries. They feel that if systematic action had been taken to develop the ancillary industries right from the time these production units were set up, the difficulties would have been resolved by now. The Committee would also urge that the matter should be taken up with the Ministry of Industry and Civil Supplies so that necessary steps could be devised to develop indigenous sources of supply for meeting the Railways' requirements during the Fifth Plan on an assured basis.</p>

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85	5.48	<p>The Committee observe that the Railways' target of procurement of 1,01,532 wagons (in terms of 4-wheelers) in the Fourth Plan, both on additional and replacement account, was lowered to 68,776 wagons at the time of Mid-Term Appraisal when the target of originating traffic itself was reduced from 265 to 240.5 million tonnes. The actual procurement, however, was 58,786 wagons i.e. about 10,000 wagons short of the revised target.</p>
86	5.49	<p>The Committee note that the Ministry of Railways have recently undertaken a study regarding the transport capacity available with them in respect of rolling stock for lifting freight traffic and that "<i>prima facie</i> it appears that with the rolling stock available as at the end of the Fourth Plan, about 215 million tonnes of freight traffic at an average lead of 678 kms. can be lifted by the Railways."</p>
87	5.50	<p>In this connection, the Committee would like to recall the following observations made by the Public Accounts Committee in para 1.37 of their 47th Report (Fifth Lok Sabha):—</p> <p style="padding-left: 40px;">"The Railways' calculations make no objective effort to establish the capacity of the wagon fleet to carry traffic. The Committee would like to emphasise that realistic norms on the basis of best performance obtained by the Railways themselves should be fixed so that the surplus already held and the future wagon procurement could be suitably adjusted to meet future requirements."</p>
88	5.51	<p>The Committee trust that the Ministry of Railways would keep in view these observations of the Public Accounts Committee while carrying</p>

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89	5.59	<p>out the above mentioned study. They would like to be informed early about the methodology followed in this study, the findings and the action taken in pursuance thereof.</p>
90	5.60	<p>The Committee observe that there was a Shortfall of 176 B.G. coaches and 165 N.G. coaches against the Fourth Plan targets of 4,125 and 200 respectively. As the Bharat Earth Movers exceeded their target of B.G. coaches, the shortfall appears to have occurred in the Integral Coach Factory where capacity was diverted to the extent of 119 coaches for meeting the export order and also to offset the shortfall in supply of M.G. coaches by M/s. Jessops. The net shortfall in ICF was a marginal one, being 29 only against an overall target of 3,422 coaches.</p>
		<p>The Committee note that the inability of M/s. Jessops to fulfil their target of 1443 M.G. coaches by as many as 467 coaches was due to labour unrest, power shedding, pre-occupation with export order of wagons and due to dis-agreement on prices of DC/ EMU coaches resulting in stoppage of production for about 1 year and 10 months from January, 1972 to November, 1973. The Committee have already drawn attention to the loss of production in Jessops on account of delay in settlement of prices in para 8 of their Second Report and have impressed on Government the need to ensure that the present target of 6/9 coaches per month is kept up by M/s. Jessops and that every effort is made to clear the back-log in the manufacturing programme. The Committee observe from the latest reply furnished by Government that between December, 1973 and October, 1974 M/s. Jessops have delivered 63 coaches only i.e. at the lower level of the delivery rate agreed to by the firm. As M/s. Jessops are now in the public sector, the Committee would like the Ministry of Industry and Civil Supplies to ensure</p>

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		that the firm achieves the targeted capacity and is able to deliver at least upto 9 coaches per month, as per the agreed programme.
91	5.61	The Committee would like the Ministry of Railways to accord high priority to construction of second class coaches, particularly sleeper coaches, in their future programme of procurement of coaching stock and also to intensify research on improvement of the payload of such stock. The Committee would also urge that efforts should continue to be made to improve amenities in the second class coaches particularly on long distance trains.
92	5.62	In regard to the shortfall of as much as 165 out of 200 N.G. coaches programmed for the Fourth Plan, the Committee have observed in para 9 of their Fifth Report as follows:—  “The Committee regret that it should have taken about two years for the Ministry to take a decision on the question of manufacture of NG coaches in the light of the Report of the Uneconomic Branch Lines Committee which was submitted to Government in December, 1969. The Committee desire that at least for the Fifth Plan, the requirements for each of the gauges, particularly the narrow gauge, should be thoroughly gone into and fixed realistically, year-wise, having regard to the present trend and the perspective plans of the Railways.”
93	5.63	The Committee would like to reiterate the above recommendation and urge that action taken in pursuance thereof may be intimated to them at the earliest.

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94	5.74	<p>The Committee note that there was a shortfall of 62 diesel (42 MG and 20 NG) and 21 electric (BG) locos against the programme of replacement of 140 diesel (110 MG and 30 NG) and 53 electric (BG) locos during the Fourth Plan. The shortfall in the case of BG/MG diesel/electric locos is stated to be due to shortage in supply of matched sets by HEIL, Bhopal, while on the NG, the shortfall was on account of non-availability of the detailed designs of low-horse power diesel locomotives. As the position in regard to supply of electrical equipment from HEIL, Bhopal has now improved, the Committee would like the Ministry of Railways to ensure that the shortfall is made good as quickly as possible.</p>
95	5.75	<p>So far as NG diesel locomotives are concerned, the Committee would urge that in view of the oil crisis, a decision on the question of manufacture of such locomotives may be expedited. In case it is decided not to take up the manufacture of such locomotives the question of replacing the existing overage steam locomotives by resuming manufacture of improved type of locomotives should be accorded due priority.</p>
96	5.76	<p>So far as coaches are concerned, the Committee regret to note that there was a huge shortfall of 1,115 coaches against the Plan programme of replacement of 3,200 coaches. The shortfall was 482 on BG, 462 on MG and 171 on NG against the targets of 1,500 each on BG and MG and 200 on NG. Replacement of old BG/MG coaches is stated to have suffered due to the capacity having been utilised to meet the outstanding orders for production on additional account placed prior to 1969-70 and diversion of capacity in the Integral Coach Factory to the extent of 119 BG coaches for meeting export orders. The Committee would like the Ministry of Railways to fix a target date for replacement of overage BG/MG coaching</p>



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stock and to gear up the production capacity accordingly so as to ensure its achievement according to schedule.

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5.77

The Committee further regret to observe that the final order to undertake manufacture of 200 MG coaches was issued as late as in October, 1971 and that only 29 coaches could be replaced during the Fourth Plan period. The Committee trust that all overage coaching stock on the NG would be replaced by the end of the Fifth Plan, as per the revised programme.

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5.78

So far as wagons are concerned, the Committee observe that the original programme of replacement of 35,628 wagons (in terms of 4-wheelers) was reduced to 25,340 wagons but raised again to 29,918 in August, 1974 for reasons not explained to them. The actual number of wagons placed on line on replacement account fell short of the revised target of August, 1974 by 5,882 and by as much as 11,592 wagons *vis-a-vis* the original target. The Committee would like the Ministry of Railways to ensure that all wagons which have outlived their normal life are replaced by the end of the Fifth Plan.

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5.79

As the percentage of overage wagon stock on the narrow gauge has actually gone up from 60.84 as on 31st March, 1969 to 63.88 as on 31st March, 1974, the Committee would like the Ministry of Railways to pay greater attention to the replacement of such wagons during the Fifth Plan so that the percentage of overage wagon stock on the narrow gauge is at least brought on par with the position obtaining on the other two gauges. The Committee stress that in retaining the overage stock in operation the safety of the travelling public should under no circumstances be overlooked.

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100	5.105	<p>The Committee are constrained to observe that the position in regard to periodic overhaul of all types of rolling stock continues to be unsatisfactory. So far as steam locomotives are concerned, the Committee do not see any reason why the position regarding overdue periodic overhaul should have deteriorated when the Railways had all along the requisite facilities therefor. The Committee would like the Ministry of Railways to see that the upkeep of such locos is improved and they are put to optimum use.</p>
101	5.106	<p>The Committee regret to note that the percentage of ineffective diesel locos is as high as 6.87 per cent. As these are very costly assets, the need for their proper maintenance cannot be over-emphasised. The Committee desire that the position should be analysed in detail and prompt remedial measures taken to ensure that the diesel and electric locos are put to optimum use.</p>
102	5.107	<p>The Committee view with grave concern that approximately 20,000 steel bodied coaches have been affected by heavy corrosion which involves very heavy and costly repairs. The Committee consider that the reasons therefor should have been investigated much earlier. The Committee would now like a time-bound programme to be formulated for repairing the damaged stock. The Committee stress that the design of coaches should be effectively improved in the light of experience gained and the advance in technology to eliminate chances of corrosion and to save on maintenance cost.</p>
103	5.108	<p>The Committee further regret to observe that the percentage of wagons overdue for POH to total stock on line as on 31st March, 1974 was as high as 25.27 on BG, 12.94 on MG and 8.51 on NG. This is stated to be due to the fact that repair capacity was not built up to keep pace with the</p>

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- heavy additions to the wagon holdings during the Third and Fourth Five Year Plans and also due to the increased work content on wagons which have lately been subjected to large scale vandalism particularly in the Eastern Region. The Committee note that remedial action to augment the repair facilities is now in hand. They trust that expeditious steps would be taken by the Ministry to reorganise and rationalise the repair facilities on various zonal Railways with a view to maximising output. The Committee would like Parliament to be informed of the progress made in this direction through the Annual Reports of the Railway Board/Zonal Railways.
- 104            6.9            The Committee observe that the Working Group on Freight Traffic had projected a total of 335 million tonnes of originating traffic by the end of the Fifth Plan. The Planning Commission have, however, tentatively fixed a target of 300 million tonnes i.e. an increase of about 115 million tonnes over the actual originating traffic carried by the Railways at the end of the Fourth Plan. Planning of resources has been restricted for the present to a target of 280 million tonnes which the Railways consider to be more realistic.
- 105            6.10           The Committee note that the Railways expect an annual growth of 13 to 15 million tonnes of originating traffic over the 1969-70 level of traffic (207.9 million tonnes). They find that the maximum increase in traffic during the last 24 years of planning, occurred in the Third Plan period when the average annual increase was of the order of 9.35 million tonnes. In the Fourth Plan, the traffic actually declined by 19 million tonnes in 1973-74 as compared to 1968-69.
- 106            6.11           While the Committee appreciate the concern of the Planning Commission and the Railways to fix realistic targets they consider even the pre-

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		<p>sent anticipation of 13 to 15 million tonnes of additional traffic per annum may prove to be on the high side. In this connection, the Committee would recall that in his Budget speech for 1974-75 the Railway Minister had made a "hopeful assumption" that the Railways will carry 25 million tonnes of additional traffic in that year over that expected in 1973-74 (i.e. 217 million tonnes). However, at the time of mid-year appraisal it was realised that the traffic would not exceed 197 million tonnes. The latest assessment is that it would be about 192 million tonnes only. Even after making allowance for the loss of 11.8 million tonnes of traffic during the period April to June, 1974 because of the Railway strike, it would be apparent that the estimate of 217 million tonnes of originating traffic for 1974-75 which was the first year of the Fifth Plan, was very much on the high side.</p>
107	6.12	<p>The Committee note that in the current year (1975-76) the Railways expect to achieve the target of 210 million tonnes i.e. an increase of about 18 million tonnes over the anticipations for the last year, which again appears to be on the high side.</p>
108	6.13	<p>The Committee, however, learn that coal and steel production is expected to go up considerably during the Fifth Plan, and that these two commodities alone may contribute upto 60 million tonnes of additional traffic to the Railways. The Committee have discussed about estimates of traffic for these and other commodities in subsequent sections of this Report.</p>
109	6.14	<p>The Committee note that a reappraisal of the targets for the Fifth Plan including that of the Railways is in progress. The Committee would like the Planning Commission/Government to fix realistic targets keeping in view the performance</p>

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of various sectors of the economy, the likely growth and changes in the pattern of traffic and other relevant factors. The Committee stress that the position should be kept under continuous watch and reviewed from year to year so as to ensure that the investments made in the Railways are fully warranted by the needs of the traffic and that they generate enough returns to meet at least the dividend liability in full.

110

6.27

The Committee note that in the absence of details of origin—destination pattern of traffic, Government have not laid down targets for the major commodities in terms of net tonne kms., and that even in regard to the overall increase in the average lead of traffic during the Fifth Plan, there is a marked variation in the views of the Ministry of Railways and the Planning Commission. While the Railways think that there is not going to be any appreciable drop in the average lead as recorded in the Fourth Plan and that it may be around 660 kms., the Planning Commission consider that since a substantial portion of the additional traffic would be short lead traffic, particularly of raw materials for steel plants, the weighted average would be about 630 kms. only.

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6.28

In this connection, the Committee would refer to paragraph 5.1 of the Report of the Working Group on Freight Traffic during the Fifth Plan where they have observed that "normally, with the dispersal of various industries it would be reasonable to assume that the average lead of freight traffic would reduce during the Fifth Plan period. It is however, of utmost importance for the concerned Ministries|Public Sector Undertakings to take this aspect into account and furnish the pattern|lead of traffic to the Railways so that they could plan on a realistic basis for the work-load expected from them."

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112	6.29	<p>The Committee regret to note that the factors which have inhibited the Railways from planning realistically in the preceding five year plans viz. the absence of commodity-wise targets for each year of the Plan both in terms of originating tonnage and the lead for each stream of such traffic determined in the light of detailed data and actual field conditions, continue to hamper Railway planning in the Fifth Plan. In paragraphs 1.24 and 1.26 of this Report, the Committee have already stressed the need for specifying the total dimensions of the transportation job expected of the Railways by laying down commodity-wise targets both in terms of originating tonnage and net tonne Kms. They would, therefore, urge the Planning Commission Railways, to obtain the requisite data regarding direction destination-wise break-up of traffic for major commodities from the Ministries Public Undertakings concerned to enable realistic planning for rolling stock and line capacity works to be undertaken, particularly the latter which involve very heavy investments on fixed assets that cannot be transferred elsewhere. In a later section of this Report, the Committee have drawn attention to the observations made by the Public Accounts Committee regarding inadequate utilisation of the additional capacity created by the Railways at a number of places. The Committee would, therefore, like to stress that the Railways should examine critically the estimate of additional traffic likely to be generated and the earnings therefrom so as to ascertain in precise terms the financial returns that would accrue to them before committing themselves to any large scale investment on such works.</p>
113	6.30	<p>An interesting aspect of the apparently different stand-points of the Railways and the Planning Commission both with regard to the anticipations of the originating tonnage and the</p>

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		<p>average lead thereof, is that while the Railways seem to take a slightly conservative view of the growth of originating traffic, the Planning Commission, while agreeing to a higher target so as to accommodate the demands of the user Ministries, have taken a similar view in regard to the anticipated lead. In terms of net tonne kms. the traffic likely to be generated would be about 184.8 billion net tonne kms. as per Railways' calculations and 189 billion net tonne kms. as per the calculations of the Planning Commission. While agreeing to an investment of Rs. 2350 crores for 280 million tonnes, the Planning Commission feel that the Railways should be capable of carrying upto 300 million tonnes i.e. 189 billion net tonne kms. with this investment and by improving their performance. As the Railways are already stated to have built up a capacity to carry upto 235 million tonnes of originating traffic at an average lead of 630 kms. or in other words, their total freight carrying capacity was 148 billion net tonne kms. at the end of the Fourth Plan, the Committee consider it imperative that the anticipations in regard to the increase in lead in the Fifth Plan are subjected to close scrutiny in the light of data furnished by major users before any further heavy investments particularly on line capacity works are made during the current Plan period.</p>
114	6.51	<p>In an earlier paragraph, the Committee have noted that the Railways carried 62.4 million tonnes of coal in the last year of the Fourth Plan against the original target of 84.4 million tonnes and the revised target of 77.5 million tonnes. Their best performance in this direction was in 1969-70 when the total amount of coal moved by rail was 71 million tonnes.</p>
115	6.52	<p>The Committee note that by the end of the Fifth Plan the Railways may be called upon to</p>

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carry about 120 million tonnes of coal out of the projected production target of 135 million tonnes. (The report of the Fuel Policy Committee in fact, envisages that the coal requirement is likely to be of the order of 145 million tonnes by the end of Fifth Plan). According to Railways' own estimate however, the movement of coal will be of the order of 92 million tonnes out of the total traffic target of 280 million tonnes. Thus, there is a wide variation of 28 million tonnes between the estimates of the Planning Commission and the Ministry of Railways. The Committee see no justification for such wide variation. They regret to observe that the Ministry of Energy have not been able as yet to furnish direction-wise movement pattern of coal to enable detailed calculation of rail transport capacity, rolling stock and other ancillary requirements being made by the Ministry of Railways in spite of the specific recommendation of the Working Group on freight traffic in this regard. They would, therefore, like the matter to be gone into by a Task Force which might be asked to work out detailed production and movement requirements (direction-wise). This Task Force may include representatives of the Railways, the Coal Mining Authorities and the Planning Commission. The Committee need hardly add that the actual materialisation of coal traffic should be kept under continuous review and further investments decided in the light thereof.

116

6:53

In this connection, the Committee would like to reiterate the following observations made by the Estimates Committee in para 5.53 of their 68th Report on Availability and Distribution of Coal:—

“It is well known that linkages of major consuming sectors with coalfields, are imperative for an efficient transport



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system. The Committee note that the Standing Linkage Committee has finalised the linkages in respect of Thermal Power Stations and also the allocations in respect of Cement Industry. The Committee would urge that the linkage of coalfields to other major industries and washeries and of washed coal to steel plants should be expedited. The Committee need hardly emphasise that the linkages should be firm and effective and should be reviewed from time to time to remove bottlenecks in the way of smooth and efficient movement of coal to consuming centres. The Committee have no doubt that in fixing linkages, it would be ensured that bulk consumers are linked to the nearest coalfields with a view to reduce the lead to the minimum possible so as to economise on transport costs."

117

6.54

The Committee note that the linkage of washed coal to steel plants was done by the Dutt Committee in 1969-70 but the same as to be recast taking into account the requirements of Bokaro and increased requirements of other steel plants. The Committee further note that the recommendations of the Study Teams appointed by the Railways to go into this matter are under examination in consultation with the Ministry of Steel and Mines, the Central Water & Power Commission and other important users.

118

6.55

The Committee see no reason why the linkages of washed coal to the steel plants were not finalised well before commencement of the Fifth Plan. They would urge that the examination of the recommendations made by the Study Teams should be completed without further delay and necessary follow-up action taken in consultation with the authorities concerned.

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119	6.56	<p>The Committee further observe that the Indian Statistical Institute, Calcutta who were entrusted by the Ministry of Railways to study the coal loading operations in Bengal-Bihar Coalfields have made certain important suggestions for improvement in the turn-round of wagons. The Institute are of the view that for the projected coal loading in the Fifth Plan from Bengal-Bihar coalfields, extra wagon requirements will be substantially lower if reduction could be achieved in terminal detentions and transit time. The Institute have <i>inter alia</i> recommended that (i) to facilitate maximum block rake movement, more rational planning and scheduling of movement must be worked out; (ii) an integrated programming has to be worked out for slack coal which accounts for about 40 per cent of non-coking coal; and (iii) wagon detention of 4 to 5 days at depots and collieries must be reduced; etc. etc. The Committee would like the Ministry of Railways to examine carefully these and other recommendations made by the Indian Statistical Institute in the light of similar suggestions given by their own study team on Coal Transport Planning in Bengal-Bihar Coalfields in consultation with the Department of Mines so that the loading and movement of coal is rationalised and speeded up.</p>
120	6.60	<p>In paragraph 3.11 of this Report, the Committee have pointed out that the maximum of steel plants traffic carried by the Railways in any single year of the Fourth Plan did not exceed what the Railways had already carried at the end of the Third Plan and that the Railways were already geared to carry upto 28 million tonnes of such traffic at the end of the Fourth Plan. In view of the marked shortfall in materialisation of traffic in successive Plan periods, the Committee consider that there is imperative need for laying down realistic targets and establishing firm linkages for movement of raw materials to and</p>

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		<p>finished products from the steel plants. The Committee are of the view that since the steel industry is predominantly in the public sector, coordination with the steel plants which are controlled by a single agency viz. the Steel Authority of India Ltd. should be no problem. The Committee would like the detailed requirements with firm linkages to be worked out before making any sizeable investments for meeting the projected increase in steel plants traffic.</p>
121	6.65	<p>The Committee note that the movement of iron ore for export is expected to increase from 8.4 million tonnes at the end of the Fourth Plan to 18.5 million tonnes by the end of the Fifth Plan. Besides electrification of Waltair-Kirandul line and the Panskura-Haldia section at an estimated cost of Rs. 37.83 crores, an investment of Rs. 66.17 crores including an expenditure of Rs. 39 crores on Banspani-Jakhapura new line and Rs. 11 crores on doubling and crossing stations etc. on Renigunta-Guntakal section, has been proposed to meet the additional level of traffic in the Fifth Plan.</p>
122	6.66	<p>It would be seen from para 3.87 above that although the Railways were geared to carry 16 million tonnes of iron ore for export at the end of the Fourth Plan, the actual utilisation of rail capacity was only to the extent of 8.4 million tonnes. The Committee consider that the justification for the proposed new line and line capacity works (as mentioned above) which would involve an outlay of as much as Rs. 66 crores (and this may eventually prove to be an under-estimate) needs to be gone into in detail and thoroughly before the Railways start work on these projects.</p>
123	6.67	<p>As the commitments for export are made well in advance, the Committee do not see any reason</p>

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why realistic targets cannot be fixed in this case. The Committee would like a Task Force consisting of the representatives of the Railways and the production and exporting agencies to go into the matter in depth so that a realistic assessment is made of the requirements, year-wise and investments where required are made only on the basis of carefully assessed needs.

124

6.69

The Committee have already referred to the loss of production due to the inability of the Railways to supply wagons to the cement factories in time and in adequate numbers and have emphasised the need for establishing firm linkages for supply of raw materials as well as movement of the finished product from the factories. The Committee consider that since the Cement Corporation of India have now gained an experience of several years, it should be possible for them to make a realistic assessment of the production capacity on the one hand and on the other to lay down proper linkages so that production does not suffer for want of transport. As production of cement is expected to go up by about 66 per cent during the next five years, the Committee would also like the Railways to streamline their field organisations so as to ensure easy and timely availability of wagons, particularly covered wagons to the industry.

125

6.72

The Committee observe that an increase of 173 per cent is expected in fertilizer traffic during the Fifth Plan over the level achieved at the end of the Fourth Plan. In para 3.123 earlier, the Committee have drawn attention to the shortfall in materialisation of fertilizer traffic during the Fourth Plan which is indicative of the fact that the traffic requirements were not realistically planned. As a very ambitious target has been fixed for the Fifth Plan, the Committee would like the matter to be studied in depth by

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		<p>a Task force consisting of the representatives of the Railways and the producing agencies. The Committee further suggest that for the additional traffic that might be forthcoming, direction/destination-wise studies should be undertaken and firm linkages established expeditiously in the interest of rationalisation of movement of traffic right from the beginning.</p>
126	6.85	<p>The Committee observe that as against the growth rate of 4.6 per cent per annum in the case of non-suburban traffic and 8.8 per cent in suburban traffic, recorded during the Fourth Five Year Plan, the Railways' estimate of growth of such traffic during the Fifth Five Year Plan is 4 per cent and 5 per cent per annum respectively.</p>
127	6.86	<p>So far as non-suburban traffic is concerned, the Committee note that while the projections made on the basis of growth of national income have not been found to be reliable, those made on the basis of the linear time trend method and the linear projection method appear to give a somewhat pessimistic picture in the context of the rapid growth witnessed during the past few years. The assumption of 4 per cent growth in this case has, therefore, been made on an empirical basis.</p>
128	6.87	<p>The Committee have in an earlier chapter, referred to the persisting state of heavy overcrowding in some of the long distance trains. They note that it would be the Ministry's endeavour to clear fully the long and medium distance passenger traffic during the Fifth Plan. The Committee also note that speedier development of passenger terminal and yard capacities at metropolitan centres, setting up of subsidiary terminals, running of longer trains and provision of coaches with higher carrying capacity are</p>

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some of the important measures proposed to be taken by the Railways to meet the requirements of the growing passenger traffic in the Fifth Plan. The Committee consider that since these proposals would make for better management and use of existing resources, these should be implemented on a priority basis.

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6.88

So far as suburban traffic is concerned, the Committee consider that the anticipation of 5 per cent growth per annum may well prove to be on the low side considering the fact that during the past quinquennium such traffic has registered a growth of as much as 2.8 per cent per annum. In fact, compared to 1950-51, suburban traffic has gone up by 13.8 per cent per annum. The Committee would, therefore like the Ministry of Railways to review the matter in the light of latest data and take suitable action to meet adequately the needs of such traffic. The Committee have no doubt that with the augmentation of the terminal capacities in the metropolitan towns, it would be possible for the Railways to augment the suburban services to the maximum extent necessary.

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6.89

The Committee observe that the number of originating suburban passengers in Bombay area is expected to go up from 970 millions at the end of Fourth Plan to 1,172 million at the end of the Fifth Plan. The Committee note that apart from quadrupling of the Grant Road-Churchgate section of the Western Railway, implementation of Phase I of the optimisation scheme involving introduction of 5 minutes service on each corridor of the Central Railway suburban section is under consideration. The Committee would like integrated plans to be drawn up for optimisation of suburban services in Bombay area and imple-

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mented expeditiously. The Committee would also like speedy action to be taken for implementation of schemes to augment facilities for suburban traffic in other metropolitan cities and important towns such as Bangalore, Kanpur, Ahmedabad, Hyderabad and Pune etc. etc.

181

6.102

The Committee note that in order to cater to the projected increase of 40 million tonnes of additional freight traffic (over the revised target of the Fourth Plan), 4 per cent increase per annum in non-suburban traffic and 5 per cent increase per annum in suburban traffic in the Fifth Plan period, the Railways would need 1,300 locomotives (400 electric and 900 diesel), 6,500 coaches, 1,050 EMUs, 50 Rail Cars and 1,00,000 wagons (both on additional and replacement accounts).

182

6.103

As stated earlier, the Planning Commission feel that with the additional stock to be procured during the Fifth Plan and with better utilisation of existing assets and improved working, the Railways can handle upto 300 million tonnes of freight traffic, i.e., 20 million tonnes more than the present target. The Committee would like to emphasise that the additional stock would entail heavy capital investment of Rs. 900 crores with an annual dividend liability of about Rs. 54 crores and unless the stock is put to effective operational use, it would not achieve the underlying objective. The Committee would, therefore, like the Railway Board to keep under constant review the utilisation of the existing rolling stock and place orders for additional stock after making sure that the rolling stock already available with them and on order would be put to effective optimum use. The Committee would like the

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		<p>Ministry of Railways to lay down targets of engine and wagon utilisation for each Zonal Railway from time to time and keep a close watch on their performance in relation to such targets and take necessary remedial measures to rectify the shortcomings that come to notice.</p>
133	6.104	<p>The Committee note that there is a difference of opinion between the Railways and the Planning Commission regarding the cost per unit of rolling stock. It is evident that the prices of rolling stock are bound to increase if there is a general rise in prices. It is, therefore, all the more necessary that Railways should put their valuable rolling stock to the best use keeping the financial implications and constraints prominently in view.</p>
134	6.105	<p>The Committee note that Railways have been allotted a sum of Rs. 120 crores against the proposed ambitious outlay of Rs. 218.5 crores for augmenting capacity in workshops, sheds and sicklines and for modernisation of the existing workshops. The Committee note that the proposals of the Railways also include setting up of some new manufacturing units, e.g., a new coach building unit, diesel engine power pack unit, wheel and axle plant, steel casting plant and traction gear plant, capacity for some of which already exists elsewhere in the public sector. In view of the constraint on resources, it is imperative that the capacity of the existing units is fully utilised and expanded, if necessary, to meet the requirements rather than incur very heavy expenditure on setting up new manufacturing units.</p>
135	6.116	<p>The Committee note that an allocation of Rs. 500 crores has been made in the Railways*</p>



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		Fifth Plan for Line Capacity works and another Rs. 110 crores for improved 'Signalling and Safety' works. As detailed plans for the other sectors of the economy have not yet been finalised, the details of line capacity works etc. which will be required have not been worked out.
136	6.117	The Committee observe that the busy arterial routes which form only about 24 per cent of the route kilometrage, carry about 72 per cent of the traffic. As pressure on these routes will further increase during the Fifth Plan, a number of schemes for augmentation of capacity by doubling, conversion, improved signalling, provision of additional crossing stations, extension of diesel electric traction and expansion of marshalling yards etc. are being progressed.
137	6.118	The Committee have, in an earlier chapter, emphasised the need for making an assessment of the traffic carrying capacity, i.e., line and rolling stock capacity already built up by the Railways so that further investments could be made on a rational and scientific basis.
138	6.119	The Committee trust that the Ministry of Railways would obtain full details of the expansion schemes from the various economic Ministries/Public Undertakings etc. so as to ensure that the need for augmenting line capacity is fully established in each case before work is actually started.

In para 2.16 of their 22nd Report (Fourth Lok Sabha—1967-68) the Public Accounts Committee had observed:

"The Committee are not convinced by the explanation that efforts were made by the Railways to find the cheapest means to meet the anticipated increase

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in traffic. They regret to find that in the case of as many as 16 works including twelve works of doubling of tracks costing Rs. 27.03 crores, the capacity actually utilised in 1965-66 was less than the capacity available before the works were undertaken. The Committee strongly deprecate the tendency of the Railways to go in for works, including doubling of tracks, without critically examining their economics."

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6.120

Again in para 1.72 of their 120th Report (Fifth Lok Sabha—1973-74) the Public Accounts Committee have stated:—

"The Committee have been expressing concern over the inadequate utilisation of line capacity which accounts for the bulk of Railways investments. The Railways regard 85 per cent utilisation of the chartered capacity as a signal for augmenting it. In view of over-capitalisation on Railways and the need to maximise the return, the Committee feel that the Railways should aim at better utilisation of line capacity.

The Committee, therefore, desire that all the lines where the utilisation of the line capacity is below the optimum level should be expeditiously identified and all out efforts made to attract more traffic failing which steps should be taken to cut down the expenditure on them without affecting its utility."

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6.121

In the light of the foregoing, the Committee would like to lay particular emphasis

on the imperative need to examine critically the financial implications of the line capacity works proposed to be undertaken in the Fifth Plan so as to ensure that investments on these fixed assets yield at least the minimum financial return. It is essential that detailed studies are made and meticulous planning done before such works are taken up. The Committee recommend that in cases of projects costing Rs. 1 crore and above, detailed linkages in regard to the projected level of traffic over each such line/section should be drawn up. Based on such studies, suitable priorities may be fixed and the progress of such works reviewed continuously so as to take corrective measures that might become necessary.

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6.133

The Committee understand that out of the total provision of Rs. 100 crores for new lines, the throw-forward of the works from the Fourth Plan earlier estimated to cost about Rs. 40 crores, is now estimated to cost as much as Rs. 79.83 crores and that the amount earmarked for new lines would be insufficient even for lines required for meeting the transport needs of the core sector, not to speak of providing lines in backward areas for which there is persistent demand on the Railways.

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6.134

The Committee further understand that the perspective plan for gauge conversion drawn up early in the Fourth Plan period envisaged conversion of 10 sections of important arterial MG trunk routes into BG with a total length of about 3,230 Kms. Of these, 5 sections covering 1529 Kms. were sanctioned at an estimated cost of about Rs. 149 crores in the Fourth Plan while during the first year of the Fifth Plan, another 328 Kms. have been sanctioned for conversion at an estimated cost of Rs. 37.70 crores. The total estimated cost of these 8 conver-

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		sion schemes is, therefore, about Rs. 187.70 crores of which nearly Rs. 20 crores were spent in the Fourth Plan period.
143	6.135	The Committee note that out of these eight lines only one line would be financially remunerative, two will be marginally remunerative while two others will become remunerative only with 25 to 50 per cent inflation of charges. In the case of one line i.e. Manmad-Purli-Vajnath, the return has not been ascertained yet. The remaining two lines will be clearly unremunerative and have been sanctioned for development of backward areas.
144	6.136	The Committee propose to deal with the question of criteria to be followed in construction of new lines/conversion schemes along with the allied question of granting relief to the Railways from dividend liability on such investment, in their Report on Social Burdens.
145	7.28	The Committee note that the wagon turn-round represents the interval between two successive loadings of a wagon. The faster the movement, the less the turn-round time. The Committee observe that the position regarding turn-round of wagons has shown persistent deterioration over the last 13 years both on the broad gauge and the metre gauge in so far as it has gone up from 11.5 days in 1961-62 to 15 days in 1973-74 on the broad gauge and from 8.34 days to 12.5 days on the metre gauge. Even conceding that 1973-74 was an abnormal year for the Railways, the deterioration is still of the order of 2 days on the broad gauge and about 2.5 days on the metre gauge on the basis of 1972-73 figures.
146	7.29	The Committee note that wagon turn-round is not the only conclusive index of wagon utilisation and that other factors such as the lead

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of traffic, the incidence of empty haulage, traffic density, the speed of goods trains, speed of loading and unloading operations, detention to wagons at various points, seasonal difficulties etc. are also to be taken into consideration. The Committee note that several other factors such as heavy detentions to wagons in the steel plants, ports etc. (which even otherwise enjoy a higher free time), the general deterioration in the law and order situation in the country, particularly in the Eastern region and the staff agitations on the Railways themselves have also affected the mobility of wagons in recent years. The Committee, however, consider that there is also a positive side to this picture which needs to be emphasised and that is the heavy investments made by the Railways on acquisition of better traction power, higher capacity wagons, more sophisticated signalling and telecommunication facilities, modernisation and expansion of marshalling yards etc. which were intended to help the Railways in improving their operational efficiency in all directions. The Committee are, therefore, of the view that the deterioration in the turn-round of wagons, even as a rough and ready guide of railway efficiency, is a pointer to the deeper malaise from which the Railways are suffering i.e. their failure to put to optimum use and obtain best results from their assets, both human and material.

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The Committee consider that many of the difficulties listed above could be got over or at least their impact minimised with more detailed planning, better deployment of resources, stricter supervision and closer co-ordination with other Government agencies etc.

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7.31

The Committee note that a reduction in the turn-round of wagons is envisaged from 15 days

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		at present to 12.1 days, on the broad gauge during the Fifth Plan. This is clearly an admission of the fact that considerable improvement in this regard is called for and must be effected.
149	7.32	Of the various measures that are proposed to be taken to improve wagon turn-round, the Committee would like to place emphasis on the rationalisation of movement of bulk commodities such as coal, POL products, fertiliser, Cement etc, so as to avoid wasteful cross movements and/or longer leads. In fact, this task should have received urgent attention in the Fourth Plan itself when the Railways were beset with a number of operational difficulties.
150	7.33	The Committee urge that definite linkages should be established without delay in the matter of supplying raw materials to and movement of finished products from all major public and private undertakings in the country so that the available transport capacity is put to optimum use.
151	7.34	The Committee note that the Railways would require at least 40,000 to 45,000 wagons over and above their present estimate of 1,00,000 wagons should the turn-round of wagons not come down as envisaged. The Committee feel that the wagon turn-round goes up because of sluggish movement resulting in the loss of a number of wagon-days.
152	7.35	The Committee trust that the Railways will make all out efforts to improve the utilisation of wagons so as to achieve the target that they have set unto themselves. The Committee would like this effort to be directed not only at improvement on the broad gauge but on the metre gauge as well. As the turn-round of wagons on the metre gauge has deteriorated

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		from 8.34 days in 1961-62 to 12.5 days in 1973-74, definite targets for improvement of the turn-round in this case as well should be prescribed for implementation within the Fifth Plan period.
153	7.36	The Committee would like to be informed of the measures taken and results achieved in this direction at an early date.
154	7.37	The Committee observe that the percentage of wagons in sicklines and under repairs in Mechanical/transportation workshops to the average total No. of wagons on line daily as in 1973-74 was 4.36 as against 4.13 in 1972-73. The Committee consider the percentage of ineffective wagons to be rather on the high side. They would urge that concerted efforts should be made to reduce the same by toning up the functioning of the repair workshops.
155	7.38	The Committee further suggest that research on improving the pay-load of wagons should be intensified. A comparative study of the position in this regard obtaining in some of the advanced foreign countries might be useful. The Committee would like the efforts made and results achieved in this direction to be specifically mentioned in the Annual Reports of the Ministry.
156	7.39	So far as the question of keeping a watch over wagon movements is concerned, the Committee note that the Ministry of Railways are agreeable to the suggestion of the Indian Institute of Management for setting up a Centralised Data Bank Centre which would be of help in tracing wagons and connecting unconnected wagons and will also be able to supply information for analysis and study when specific problems are taken up. The Committee would like the Railways to come to conclusion

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		without delay and take concrete measures for bringing about better utilisation of wagons.
157	7.60	The Committee observe that the share of road transport in the total volume of goods traffic carried by road and rail has gone up from 10.2 per cent in 1950-51 to 34.7 per cent in 1973-74. According to an appreciation furnished to the Committee by the Ministry of Railways, 75 per cent of the traffic carried by the Railways is committed programmed traffic like coal, iron ore, raw materials to and finished products from steel plants, foodgrains, fertilisers etc. Another 10 per cent of traffic such as timber, bomboos, sand, fodder, salt etc. cannot possibly be moved by road in any appreciable quantities as these commodities cannot bear the cost of movement by road particularly for medium and long distance hauls. Thus only about 15 per cent of the total originating traffic on the Railways can be said to be subject to competition from road services.
158	7.61	The Committee consider that in the given situation, the increase in the relative share of road services in the movement of goods traffic can only be explained by large scale diversion of short and medium haul traffic, mostly high rated, to road services. In fact, a considerable portion of even long haul high rated traffic is now moving by roads due to the inherent advantages which the road hauliers enjoy viz. faster service and safe delivery at the door of the consignee.
159	7.62	The Committee note that after the setting up of the Marketing and Sales Organisation on the Railways in the year 1967, the originating tonnage and share in earnings from high rated commodities showed an improvement upto 1971-72 but there was a set-back thereafter due



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mainly to the unsettled conditions on the Railways.

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7.63

The Committee observe that the Indian Institute of Management, Ahmedabad have made an exhaustive study of the working of the marketing organisation on the Western Railway and have made a number of useful suggestions to tone up the working of this organisation. The Institute have *inter alia* observed that "the key word in the organisation appears to be 'watching' and that the organisation most of the time is only keeping track of what is happening in various product areas, markets and services without much attention to the remedial action that is required on the basis of an analysis of changing trends and new developments in business." Further, "Routine paper work and a wide charter of operation has led to casual attention being paid to the vital tasks of marketing... Information about total market size and Railways' share in it, which is vital for planning work, is totally missing except for some broad idea at the macro level."

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It appears that most of the weaknesses and draw-backs pointed out by the Institute and the suggestions given as, for example, the need for (i) making a systematic assessment of the total freight business by markets/stations, by commodities and services (ii) realistically assessing the competition and (iii) setting targets at the division/station level with full involvement of the personnel who have to achieve them etc. etc. are of general applicability to all Railways.

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The Committee are surprised that no conclusive action has yet been taken to implement the recommendations made by the Institute.

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Although there is to some degree an inevitable trend of high rated traffic getting diverted to road services, the Railways can counter it to an appreciable extent by improving their services through sustained action on lines suggested. The Committee would stress the imperative need to streamline the functioning of the Marketing and Sales Organisation so as to make for better coordination with the trading and business community. Ultimately the success of the organisation has to be judged by the performance of each individual engaged on the task of sales promotion. It is, therefore, necessary that the organisation is revitalised in a manner that would make it fully responsive to the needs of the customer.

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The Committee note that in pursuance of the recommendations made by the Institute, the feasibility of placing more high revenue traffic under higher priorities is being examined so as to enable lifting of traffic in such commodities on a preferential basis, thus reducing the chances of diversion of such traffic to road. The Committee trust that with the implementation of the various suggestions made by the Indian Institute of Management, the Railways would be able to recapture a major portion of the high rated traffic which they have lost to road services due to their own deficiencies. The Committee would like the steps taken and the results achieved in this direction to be mentioned in the Annual Reports of the Zonal Railways and the Railway Board.