

RAILWAY CONVENTION COMMITTEE (1977)

SECOND REPORT

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS
CONTAINED IN THE EIGHTH REPORT OF THE RAILWAY
CONVENTION COMMITTEE, 1973 ON RAILWAYS' FOURTH &
FIFTH FIVE YEAR PLANS AND OTHER ANCILLARY MATTERS



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SECOND REPORT OF THE RAILWAY CONVENTION COMMITTEE (1977)

<u>Page</u>	<u>Para/S.No.</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
1.	Para No. 4	5	'not'	'net'
5.	" " 2	2	'extent'	'extant'
10.	S.No. 21	2 and 6	<u>Delete</u> 'X'	
16.	S.No. 31	11	<u>Add</u> 'Noted'	<u>below</u> 'Reply of Government'
17.	S.No.32	5	'The'	'They'
20.	Para No. 2	1	'extent'	'extant'
35.	S.No.64) Para No.4)	4	'trun'	'trunk'
43.	S.No.81	1	'plannig'	'planning'
47.	S.No.91	1	'Railway'	'Railways'
61.	S.No.124	10	'Committee'	'Committee's'
61.	S.No.124	15	'steamline'	'streamline'
65.	S.No.128	1	'satelite'	'satellite'
65.	S.No.129	10	'could'	'would'
71.	S.No.155	7	'Girandul'	'Kirandul'
75.	Heading	1	RECCOMMENDATION	'RECOMMENDATIONS'
76.	S.No.40	11-17	Transpose the Table below the footnote.	
77.	S.No.35	5	'persistant'	'persistent'
90.	S.No.2	2	'recommenda- tion'	'recommendations'
90.	S.No.3	10	'realistics'	'realistic'
93.	S.No.6	35	'ton'	'tonne'
94.	Table	8	'90.0'	'90.5'
100.	S.No.10	8	'has'	'have'
101.	S.No.10	14	'cooking'	'coking'
102.	S.No.16	13-14	'performan- ces'	'performance'
105.	S.No.19	1	'built'	'built up'
105.	S.No.19	last but one line	'Fourh'	'Fourth'
106.	S.No.19	5	'locomotive'	'locomotives'
108.	Col.2	1	'todo'	'toto'
112.	S.No.26	1	'colo'	'loco'
113.	S.No.22	5	'Ministers'	'Ministor'
113.	S.No.22 (Reply of Government)	4	'vix'	'viz.'
116.	S.No.25 & 120 (Reply of Government)	18	'function'	'functioning'

<u>Page</u>	<u>Para/S.No.</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
116.	S.No.25 & 120 (Reply of Government)	18	'undertak- ing'	'undertak- ings'
120.	S.No.35	7	'them	'the'
120.	S.No.46		Add 'Reply of Government' before line 4	
123.	S.Nos.68-70 (Further information)	3	'since'	'sinced'
129.	S.Nos.110-111	3	'commodiies'	'commodities'
137.	S.Nos.138-140 (Reply of Government)	2	'extent'	'extant'
138.	S.Nos.146-147	17	'Committee'	'Committee are'
138.	"	20	'essets'	'assets'
142.	S.No.162	3	'in'	'an'
145.	" Para (c)7	1	'Forwarded'	'Forwarder'

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RAILWAY CONVENTION COMMITTEE
(1977)

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Shri Krishan Kant

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2. Shri J. C. Barve
3. Shri Dinen Bhattacharya
4. Shri K. B. Chettri
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17. Shri Harsh Deo Malaviya
18. Shri V. V. Swaminathan

SECRETARIAT

Shri B. K. Mukherjee—*Joint Secretary.*

Shri T. R. Ghai—*Senior Financial Committee Officer.*

INTRODUCTION

I, the Chairman, Railway Convention Committee, 1977 having been authorised by the Committee to present the Second Report on their behalf, present this Report on action taken by Government on the recommendations contained in the Eighth Report of the Railway Convention Committee, 1973 on 'Railways' Fourth and Fifth Five Year Plans and other Ancillary Matters."

2. The Eighth Report of the Railway Convention Committee, 1973 was presented to both the Houses of Parliament on the 7th January, 1976. Government furnished their replies indicating the action taken on all the recommendations contained in the Report on 14th September, 1976. Further information on 29 points arising out of Government's replies was called for by the Committee on 21st September, 1976. This was furnished by the Ministry of Railways on 5th, 12th and 20th November, 1976. The Fifth Lok Sabha was dissolved before the action taken report could be finalised by the previous Committee.

3. The Railway Convention Committee, 1977 called for latest information in respect of Government's replies to three of the recommendations on 14th October, 1977. This was received on 25th October, 1977.

4. The Committee considered the replies of Government at their sittings held on the 4th and 5th November, 1977 and finalised their comments thereon. The Committee also considered and approved draft Chapters I and IV of the Report.

5. The Report has been divided into the following Chapters :

- I. Report.
- II. Recommendations which have been accepted by Government.
- III. Recommendations which the Committee do not desire to pursue in view of Government's replies.
- IV. Recommendations in respect of which Government's replies have not been accepted by the Committee.
- V. Recommendation in respect of which final reply of Government is still awaited.

6. An analysis of the action taken by Government on the recommendations contained in the Eighth Report of the Railway Convention Committee, 1973 is given in Appendix. It would be observed therefrom that out of 163 recommendations made in the Report, 94 recommendations (i.e.) 57.7 per cent have been accepted by the Government and the Committee do not desire to pursue 15 recommendations (i.e.) 9.2 per cent, in view of Government's replies. The replies in respect of 53 recommendations (i.e.) 32.5 per cent have not been accepted by the Committee. Final reply of Government in respect of one recommendation (i.e.) 0.6 per cent is still awaited.

NEW DELHI;
Dec. 29, 1977
Pausa 8, 1898 (S)

KRISHAN KANT,
Chairman,
Railway Convention Committee.

CHAPTER I

REPORT

Railway Planning (Sl. Nos. 1—10, 14—16, 18, 106, 110—112, 115, 125, 149 & 150)

In paragraphs 1.9 and 1.10 of the Eighth Report, the Railway Convention Committee, 1973 had taken note of the fact that in the absence of sufficient and reliable basic data it had not been found feasible to fix Railway-wise (Zonal) traffic targets for the Fourth Plan period as a whole as 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. However, the Railway Board had since taken steps to strengthen the planning machinery on the Zonal Railways by setting up Central Planning Organisations. Detailed transport planning studies for major commodities were stated to have been undertaken to make planning more realistic.

While conceding that Railway Planning was largely derivative planning based on the development programmes of, and assessment of traffic given by, various Ministries, the Railway Convention Committee, had pointed out that past experience showed that the forecasts of traffic given in this manner had often gone off the mark. The Committee had, therefore, emphasised in paragraph 1.11 of the Eighth Report the need for subjecting the estimates of traffic given by different Ministries to detailed scrutiny by the Planning Commission in consultation with the Railway Board who should get feed-back from the Zonal Railways based on their detailed knowledge of the conditions obtaining on the ground.

The Railway Convention Committee, 1973 had also drawn attention to the observations of the Public Accounts Committee as well as the Indian Institute of Management, Ahmedabad to the effect that the Railways tended to over-estimate their goods traffic and earnings without due regard to the competitive conditions in the transport field. The Committee had emphasised 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 all those concerned with the task of achieving them. To this end, the Committee had emphasised that detailed transport planning studies should be completed expeditiously and up-dated from time to time with the help of field agencies at the Divisional/Zonal levels.

The Railway Convention Committee had also drawn attention in paragraph 1.24 of their Eighth Report to the observations of the Railway Convention committee, 1971 stressing the need for evolving suitable criteria in the matter of laying down the targets either in terms of originating tonnage or not 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. The Committee had reiterated in paragraph 1.26 of the Eighth Report that for drawing up a realistic plan, it was essential to specify the total dimensions of the transportation job which was possible only when both the originating tonnage and the distance over which each major commodity would be required to be carried, were ascertained scientifically in advance as a result of detailed studies.

The Railway Convention Committee, had recommended in paragraph 2.42 of the Report that henceforth specific commodity-wise targets both in terms of originating traffic and net-tonne kms. should be laid down in the Fifth Plan so that the investments could be related to carefully assessed needs and the Railways' performance properly evaluated. To this end, the Committee had called upon 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. (paragraph 6.29). The Committee had stressed that 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 they committed themselves to any large scale investments.

The Ministry of Railways have informed the Committee that detailed transport planning studies in respect of coal and steel have been completed and similar studies in respect of other major commodities are in progress. Efforts are being made to expedite the completion of these studies as early as possible.

In regard to the methodology of planning, the Ministry of Railways have stated that the estimates of originating traffic for the plan period as a whole, as furnished by the concerned Ministries are first scrutinised by a Working Group set up under the aegis of the Ministry of Railways at the instance of the Planning Commission. This Group naturally takes into account the experience of the Railways in the past. These estimates made by the Working Group are again scrutinised by the Planning Commission in consultation with the Railway Board. The traffic estimates included in the plan are once again subjected to a detailed review at the time of mid-term appraisal.

Similarly, while formulating the annual plan, the estimates of traffic as furnished by the concerned Ministries are scrutinised by the Planning Commission in consultation with the Railway Board keeping in view, *inter-alia* the actual materialisation of traffic in the preceding period, likely build-up of capacity and actual field conditions as reported by the Zonal Railways.

In regard to the observations of the Committee for ascertaining the total dimensions of the transportation job, the Ministry have informed the Committee that neither the Planning Commission nor the user Ministries have been able to give to the Railways origin—destination pattern of traffic and hence the Railways are left with no alternative except to plan on the basis of past trends and known developments. Consequently, it has not been possible to fix targets in terms of net tonne kms. for each commodity and for each year of the Fifth Plan.

The Committee note that while the Five Year Plans as also the Annual Plans are finalised by the Planning Organisation at the Railway Board level in coordination with the Planning Commission and the user Ministries, at all stages of planning process, the planning organisations of the Zonal Railways are fully involved in assessing the traffic growth as well as the requirements to cater to the traffic. The Committee also note that detailed surveys are undertaken by the Zonal Railways before an investment decision is made. The planning process, according to the Ministry of Railways, involves a continuous dialogue between the Railway Board and the Zonal Railway Administrations and the latter in turn have similar dialogues with the Divisions.

The Railway Convention Committee, 1973 had in their Eighth and Ninth Reports drawn attention to the persistent and heavy shortfalls in materialisation of traffic during the last two plan periods. In fact, even year to year estimates of traffic growth have been found to be highly inflated, not to speak of the five yearly projections shown in the plan documents as is evidenced by the table given in para 2.8 of the Eighth Report.

The Committee would like to recall that the Chairman, Railway Board is the Convener of the Working Group which is constituted by the Planning Commission to work out in detail the Plan requirements for rail traffic. The underlying idea in constituting the Working Group obviously is that the traffic requirements as given by the User Departments/Ministries should be critically examined by all concerned, more particularly by the Railways who have independent source of information through their field organisations and realistic targets are hammered out for approval by the Planning Commission/Government. The Committee need hardly point out that if on the basis of excessive targets avoidable investments are made, the resultant consequences would have to be borne primarily by the Railways.

The Committee note that so far as the Fifth Five Year Plan is concerned, the Planning Commission have scaled down the tentative target of 300 million tonnes to 250—260 million tonnes of originating traffic by the end of the Plan. The Ministry of Railways have, however, been repeatedly pleading before this Committee as well as the Public Accounts Committee that the real traffic load is to be adjudged not so much in terms of the originating traffic as in terms of the net tonne kilometres. For determining the latter target it is essential not only to have break-up of traffic in terms of major commodities but also to know the direction/destination-wise break-up. The Committee regret to have to point out that despite the specific recommendations in the earlier reports that the concerned Ministries/Departments should furnish traffic requirements for various commodities with direction/destination-wise break-up, the exercise has been completed only in respect of coal and only very recently completed for the steel plants. The Committee would strongly stress that without detailed studies showing the direction/destination-wise break-up of traffic of major commodities, it would not be possible to draw up realistic projections for rail traffic.

The Committee need hardly remind the Railways, who now claim to have a well-equipped and trained planning organisation at the field and zonal levels, to take extra care to see that the traffic estimates given by the user departments/Ministries are subjected to a critical scrutiny in the light of realities obtaining in the field and the anticipated trends so as to see that planning is done on realistic basis.

The Committee would re-emphasise that since in the last analysis it is the Railways who will have to bear the consequences of any inadvertent investments made for an anticipated traffic which does not materialise, as happened in the Third and Fourth Plans, they should be most cautious and careful in assessing the traffic requirements. The Committee need hardly remind that the difficult financial position of the Railways particularly since 1966-67 when they went into the red, is in no small measure due to inadvertent investments made by them.

Now that four years of the Fifth Plan are almost over, the Committee stress the need for concerted action without delay to work out in depth the traffic projections for the next Plan. The traffic targets should be worked out inter-alia on the basis of a detailed analysis of traffic projections, destination/direction-wise, in respect of major commodities. The Committee stress that this exercise should be completed at least one year before the commencement of the next Plan so that it may be of real assistance in determining the targets and rational allocation of resources therefor in the overall interest of national economy.

Transport Capacity (Sl. Nos. 17, 19, 86, 88, 113 and 138—140)

In paragraph 2.46 of their Eighth Report, the Railway Convention Committee, 1973 had urged 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 was utilised so that the areas where such capacity exists or falls short of the requirements could be clearly identified and future investments regulated accordingly. The Committee had desired that this study may be completed within 6 months' time and the findings thereof reported to the Committee immediately thereafter.

The Railway Convention Committee had in paragraph 6.30 of the Report taken note of the somewhat divergent views of the Ministry of Railways and the Planning Commission both with regard to the anticipations of the originating tonnage and the average lead thereof during the Fifth Five Year Plan. The Committee observed that it was imperative that the anticipations in regard to the increase in lead in the Fifth Plan were subjected to close scrutiny in the light of data furnished by major users before any further heavy investments, particularly on line capacity works, were made.

The Railway Convention Committee had in this regard drawn attention to the observations of the Public Accounts Committee in paragraph 2.16 of the 22nd Report (Fourth Lok Sabha) and paragraph 1.72 of the 120th Report (Fifth Lok Sabha) wherein they had deprecated the tendency of the Railways to go in for works including doubling of tracks without critically examining their economics. The Committee had desired that all lines where the utilisation of line capacity was below the optimum level should be expeditiously identified and all-out efforts made to attract more traffic.

The Railway Convention Committee had laid particular emphasis in paragraph 6.121 of the Eighth Report, 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 yielded at least the minimum financial return. To this end, it was essential that detailed studies were made and meticulous planning done before such works were taken up.

The Committee have been informed by the Ministry of Railways that the study regarding the freight capacity of the Railways which has been completed recently in pursuance of the observations of the Committee, has indicated that the actual capacity of the Railways in terms of rolling stock at the end of the Fourth Plan was around 215 million tonnes. This capa-

city has been assessed both on the basis of turn-round as also net tonne kms. per wagon day. The capacity in terms of locomotives is stated to be based on net tonne kms. per loco day.

So far as the availability and utilisation of sectional capacity, in terms of number of trains is concerned, the Ministry have stated that a Section by Section analysis of the capacity including trunk routes is prepared by the Railways every year. This analysis is not done for specific commodities as the total capacity *vis-a-vis* the total traffic moving on a Section has to be taken into account. However, transport planning studies for coal have been completed in the context of the Fifth Plan. A transport planning study for steel traffic has also been completed recently.

In regard to the observations of the Public Accounts Committee, the Ministry of Railways have pointed out that as per the extent orders, financial implications of all line capacity works are worked out and critically examined before any work is approved and executed. For all new works costing Rs. 50 lakhs and more, detailed traffic surveys are carried out before the works are included by the Zonal Railways in their annual works programme. These proposals are also discussed at the Railway Board level before finalisation. The progress of the works is watched through the system of monthly/quarterly progress reports and their execution is accelerated or slowed down taking into account the actual build-up of traffic as also the latest developments in different sectors of the economy.

The Committee observe from the Study of Wagon Utilisation on Indian Railways carried out recently by the Efficiency Bureau in pursuance of the recommendations contained in paragraphs 6.15, 6.31, 6.33 and 6.34 of the Fifth Report of the Railway Convention Committee, 1971 that while there does not exist any mathematical norm to calculate the transport capacity, the capacity in terms of wagon holdings, as made known by the Railways to the Public Accounts Committee was 225 million tonnes at the end of the Third Plan period (1965-66). Later, the Railways took the stand that it was the peak capacity and that the loading actually achieved was just commensurate with the holding of wagons with a nominal surplus of 4368 wagons on BG and shortage of 1612 wagons on the MG. The Efficiency Bureau have observed :

“Not going into the merits, as beginning has to be made somewhere it has now got to be accepted that the peak capacity at the end of Third Plan was 225 million tonnes.”

Taking this as the base, the Efficiency Bureau have pointed out that the Railways had a surplus wagon capacity varying from 9.12 to 20.8 million tonnes during the years 1966-67 to 1972-73. The gradual tapering off of the surplus capacity since 1968-69 is stated to be due to increase in the load of traffic.

The Efficiency Bureau have gone on to point out that the nominal stabilising of wagons in relation to the surplus assets was a pointer to deterioration in efficiency. Another indicator of the fall in efficiency, according to the findings of the Efficiency Bureau, is the deterioration in the turn-round of wagons despite improvement in net tonne kms.

The Committee note that the actual capacity in terms of rolling stock at the end of the Fourth Plan (viz. 1973-74) is stated by the Ministry of

Railways to be around 215 million tonnes. As the average lead of traffic during that year was 662 kms., the Railways total freight carrying capacity may be taken as 215 million tonnes \times 662 kms. = 142 billion NTKMs.

The Committee, however, note that in one of the written replies furnished by the Ministry of Railways on points arising out of evidence of their official representatives, the Committee were informed in March, 1975 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 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."

On the basis of this information, the total freight carrying capacity of the Railways would work out to 215 million tonnes \times 678 kms. = 146 billion NTKMs.

Since 1973-74 (end of the Fourth Plan) is stated by the Railways to be an abnormal year due to the threatened nation-wide strike, apart from sporadic stoppages of work and generally disturbed relations, the freight carrying capacity on the Railways may be taken to be 146 billion NTKMs on the basis of figures for 1972-73.

The Committee are not quite convinced that the lead of traffic can account for reduction in traffic carrying capacity from 225 million tonnes at the end of the Third Plan to 215 million tonnes at the end of the Fourth Plan considering the very heavy investments made not only on rolling stock but also on improving the permanent way, signalling, dieselisation, electrification etc. which are bound to have considerably improved the efficiency of transport. It is also pertinent to point out that in the year 1976-77, the Railways have loaded a record level of 238 million tonnes of traffic and during the current year they expect to improve it further by loading as much as 245 million tonnes.

In the light of the foregoing, the Committee consider that the question of laying down firm criteria for determining the total freight carrying capacity of the Railways on an acceptable basis may be gone into critically by the Efficiency Bureau. Having done this initial exercise, the freight carrying capacity should be assessed from year to year on the basis of these criteria and mentioned along-with the actual freight traffic carried, in the Annual Report of the Ministry of Railways to facilitate a proper evaluation of their performance vis-a-vis the capacity created at heavy expense to the public exchequer.

Inventories (Sl. Nos. 20, 22 & 23)

The Railway Convention Committee, 1973 in paragraph 2.63 of the Eighth Report had pointed out that the expenditure during the Fourth Plan

under several Plan heads had exceeded the revised plan outlay. One of the major areas of increase related to 'Inventories' where the actual expenditure was five times the plan allocation (Rs. 74.09 crores against the plan provision of Rs. 15 crores). The Committee had also drawn attention to the adverse balance of Rs. 8.21 crores in the Diesel Locomotive Works, Varanasi as a result of production targets not being achieved. There was also an adverse balance of Rs. 11.97 crores in the Chittaranjan Locomotive Works due to build up of development suspense of Rs. 10 crores which did not represent materials actually in shops under processing.

The Railway Convention Committee, 1973 took a serious view of the abnormal excess of expenditure over the plan provision and had desired that the Ministry of Railways should 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.

The Ministry of Railways have informed the Committee that the position of inventories on Railways has significantly improved by the introduction of modern techniques and adoption of other important economy measures. As against the price increase of about 60% during the last 3 years, the inventories have been brought down from Rs. 204 crores as on 31.3.1973 to Rs. 184 crores as on 31.3.1975. The Ministry have added that the recommendations of the High Powered Committee which have since been implemented are also expected to stimulate economy in expenditure resulting in reduction in inventories.

So far as the Production Units are concerned, the Ministry have informed the Committee that the High Powered Committee deputed one of its Members (Shri M. V. Kamath) to examine the systems and procedures in vogue in these units, to ascertain the reasons for holding high inventories and to suggest suitable remedies and improvements necessary in the systems and procedures followed there to reduce the investments. The recommendations made by Shri Kamath in his Report submitted in October, 1975 have been accepted by Government and the three Production units have been advised to implement them forthwith. It is expected that with the implementation of the recommendations of Shri Kamath, the position of inventories in the Production Units will considerably improve in the coming years. Already, as a result of implementation of the recommendations of the High Powered Committee, the percentage of the inventories/working capital to total production value which is an index of the efficiency of maintaining inventories, has been brought down in the Chittaranjan Locomotive Works from 186% in 1973-74 to 84% in 1975-76; in the Diesel Locomotive Works from 166% to 87% and in the Integral Coach Factory from 42% to 35%.

The Committee note that there has been substantial improvement in the matter of inventory management in all the three Production Units of the Railways as a result of streamlining the systems and procedures recommended by the Committee on Inventory Management. The turnover of the inventories/working capital to total production value in the Chittaranjan Locomotive Works has come down from 186% in 1973-74 to 84% in 1975-76. In the Diesel Locomotive Works this has come down from 166% to 87% and in the Integral Coach Factory from 42% to 35%.

The Committee find from the Report (October, 1975) of the study team headed by Shri M. V. Kamath appointed to ascertain the reasons for holding high inventories by the Production Units, that the norms in relation to output in both the Chittaranjan Locomotive Works and the Diesel Locomotive Works should not be fixed in excess of 75% of the output to begin with. Even this target is stated to be "generous" and applicable to the first year only. Thereafter it should be steadily brought down so that it does not exceed 50% and that a phased time bound programme, say of three years, may be drawn up for the purpose of achieving this objective. The Committee further observe that even if the target of 75% is achieved, the two Production Units should be able to release a sum of Rs. 38 crores of investment and save Rs. 5.7 crores by way of annual interest.

The Committee note that the study team headed by Shri Kamath had made several useful recommendations in the interest of better inventory management in the Production Units particularly the Diesel Locomotive Works and the Chittaranjan Locomotive Works. They would like the Ministry of Railways to initiate action without delay on these recommendations so that the target of 50% is achieved within the next three years. The Committee would like to be informed within three months of the concrete action taken/proposed to be taken by the Ministry of Railways to achieve this objective.

CHAPTER II

RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (S. No. 11, Para 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 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. about 59 per cent. The outlay was stepped up to 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. 1685.8 crores i.e. an excess 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.

Reply of Government

The observations of the Committee are noted. It may however be clarified that for appreciating the increase in the traffic at the end of the Third Plan, it would be more appropriate to compare the position on the basis of net tonne kilometres which is a better index of the quantum of traffic lifted by the Railways. In 1960-61, the last year of the Second Plan, the average lead of traffic was 561 kms. The Third Plan target of 245 originating tonnes would thus be equivalent to 137.4 billion NTKMs. However, in the last year of the Third Plan, the average lead of traffic was 576 KMs. Therefore, the actual originating tonnage of 203 million tonnes was equivalent to 116.9 billion NTKMs., reflecting a shortfall of 15 per cent *vis-a-vis* the target, as against a shortfall of 17 per cent on the basis of originating tonnage.

2. The traffic did not materialize to the anticipated level because of overall slower development of the economy and consequent shortfalls in the production targets of major industries. For example, in the last year of the Third Plan, coal production (excluding lignite) was 67.73 million tonnes as against the target of 95 million tonnes, iron ore production was 24.5 million tonnes against the target of 30 million tonnes; cement 10.8 million tonnes against the target of 13.2 million tonnes and finished steel 4.51 million tonnes against the target of 6.8 million tonnes. The overall industrial growth rate for the Third Plan turned out to be only 8.2% per annum as against the target of 11% per annum.

3. As regards the excess in expenditure over the anticipated outlay, this is largely attributable to the overall escalation in prices during the Plan period. This is evident from the fact that general index of whole-sale prices which was 100 in 1960-61 rose to 131.6 in 1965-66.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCE)-4227
dated 22-9-76]

Recommendation (S. No. 12, Para Nos. 2.38 & 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 million tonnes in 1967-68. It however rose to 204 million tonnes in 1968-69.

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. 1400 crores. The actual expenditure, as stated earlier, was Rs. 1419.5 crores while the traffic carried was 207.9, 196.5, 197.8, 201.3 and 184.9 million tonnes during the years 1968-70, 1970-71, 1971-72, 1972-73 and 1973-74 respectively.

Reply of Government

Observations of the Committee are noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCE)-4227 dated 22-9-76]

Recommendation (S. No. 13, Para No. 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.

Reply of Government

The observation has been noted.

Incidentally it may be mentioned that the figures of 136.3 and 122.3 billions for 1972-73 and 1973-74 should be 135.5 and 122.4 billions respectively.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976]

Recommendation (S. No. 21, Para 2.64)

The Committee observe that an increase of Rs. 35.34 crores occurred during the X 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 X surpluses/scrap have not been followed and that the matter is being investi-

gated 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.

Reply of Government

A copy of the report of the Committee of Administrative Officers constituted to go into the question of high balances under Workshop Manufacture Suspense Account on Eastern Railway has already been furnished to the Railway Convention Committee. The important findings of the Committee, their recommendations as also the stage of implementation are given in the statement attached.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCE)-4227 dated 22-9-76]

Recommendation (S. No. 24, Para No. 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.

Reply of Government

This is an observation.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCE)-4227 dated 22-9-76]

Recommendation (S. No. 26, Para No. 3.12)

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.

Reply of Government

The observation is noted. The detailed reasons for shortfall have already been furnished to the Committee. It is, however, pointed out that during the current year, substantial improvement in loading from Bengal-Bihar coalfields (including Singrauli) has been achieved as will be seen from the following figures :—

April 1975	6300	Sept. 1975	6797
May 1975	6087	Oct. 1975	6044
June 1975	5891	Nov. 1975	6433
July 1975	6263	Dec. 1975	6541
August 1975	6475	Jan. 1976	6453

STATEMENT

S. No.	Findings (Causes leading to the heavy balances)	Recommendations	Action taken by the Railway
1.	Arrears in closing of accounts of work orders for store stock items and finalization of out-turn statements by Process Shops, resulting in accumulation of under-charges "manufacture" and "on costs" of about Rs. 3.50 crores in the WMS Account.	Arrears should be pulled up and under-charges adjusted promptly.	Implemented. The bulk of the adjustment to the tune of Rs. 3.25 Crs. on account of under charges have since been carried out in 1974-75 accounts. The balance would be adjusted in the accounts of current year 1975-76.
2.	Arrears in submission of completed route cards by Production Office resulting in delay in revising the rates of shop manufactured items by Accounts Office.	The delay in submission of completed route cards to be eliminated so that costing and revision of rates is current.	All route cards upto 1973 have been submitted to the Accounts Office. Arrears for 1974 & 1975 are also been overtaken.
3.	Retention of Electric Stores (imported) under WMS A/c in stead of under store suspense capital 9500.	The stores should be allocated to store suspense capital 9500 and not to be allowed to be charged to WMS/Ac. before they are issued to the works.	Since implemented.
4.	Non-adjustment of value of Electric Stores/spares issued to work orders.	The adjustments should be made by charging the amount to work orders or capitalising the value of spares each costing over Rs. 50 thousands.	An amount of Rs. 25 lakhs has been charged to work orders & an amount of Rs. 91 lakhs capitalised in 1974-75 accounts. The balance in under scrutiny for adjustments.
5.	Arrears in posting and reconciliation of subsidiary registers leading to delay in adjustments.	Arrears should be pulled up.	Arrears since pulled up.
			It may be added that as a result of all this action, the balances under workshop manufacture suspense account of E. Rly. came down to Rs. 8.22 Crs. on 31-3-75 as compared to Rs. 15.06 Crs. at the end of 31-3-74.

From about October/75, when the level of loading reached 6044 wagons in Bengal/Bihar fields there was a large scale cancellation of programmes on the part of Power Houses, Cement factories and some industries. Due to total stock reaching a figure of 30 to 40 days, the tempo of loading could not be pushed up further. With the level of loading at about 6300 wagons daily, there is resistance on the part of consumers to a substantial extent including from Steel Plants. It is, therefore, clear that the reduction of the target of 6300 from 6600 was based on a correct judgement. At present the transport capacity for coal in all fields is well ahead of demands.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCE)-4227 dated 22-9-76]

Recommendation (S. No. 27, Para No. 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.

Reply of Government

All demands of coal were met in 1969-70 as already stated in reply to Item 12 of the list of points of the Railways' Fourth and Fifth Five Year Plans for which written replies were submitted. The reasons for shortfalls in subsequent years have also been advised. The current trends in loading indicate that the coal demands of power houses, industries are being met with fully and due to building up of stocks extending over from 15 to 85 days, all the consumers are substantially curtailing their programmes. It may, therefore, be concluded that the current year i.e. 1975-76 has been a year of remarkable recovery for the Railways and is easily the best year in comparison with the previous performance.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCE)-4227 dated 22-9-76]

Recommendation (S. No. 28, Para No. 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 has surely increased.

Reply of Government

The reasons for shortfall in the loading of coal during the Fourth Plan period have been already furnished to the Committee in reply to Item 12

of the list of points on the Railways 4th and 5th Five Year Plans for which written replies were called for. Briefly, the shortfall in loading was mainly due to drop in loading in Bengal-Bihar fields which in turn was due to a number of factors beyond the Railways control. Amongst these factors were—serious deterioration in law and order situation in the eastern region, severe power cut and frequent interruption in power supply from the D.V.C. and Bihar State Electricity Board, which affected the train running on electrified routes, heavy emergency movement during 1971-72 on account of Bangladesh crisis and Indo-Pak hostilities, heavy movement of foodgrains during 1972-73 on account of drought conditions and frequent staff agitations on the Railways during 1973-74, culminating in the Railwaysmen's strike of 1974.

As regards the investment during the Fourth Plan period and its effect on the line capacity, it may be clarified that the entire plan outlay is not related to the development of capacity for handling freight traffic only. For example, investment on replacement of assets and expenditure on items like users' amenities, staff quarters and staff welfare schemes do not contribute to any addition to the transport capacity. Even out of the capital investment on transport capacity, a significant portion is spent on development of passenger transport capacity.

In regard to availability of transport capacity at the end of the Fourth Plan, the Committee is requested to refer to the reply furnished to recommendation Nos. 86, 87 and 88. It may, however, be stated here that as against 116.9 billion net tonne kms. of total freight traffic carried in 1965-66 at the end of the Third Plan, the Railways were able to carry a traffic level of 136.5 billion net tonne kms. in 1972-73, the penultimate year of the 4th Plan and 122.3 billion net tonne kms. in the last year of the 4th Plan. The reasons for the shortfall in 1973-74 have already been furnished to the Committee. It is, however, evident that there was a significant increase in transport capacity as reflected by the traffic actually carried between the last year of the 3rd Plan and the penultimate year of the 4th Plan.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCE)-4227
dated 22-9-76]

Further information called for by the Committee

- (a) Please clarify if definite and firm linkages for supply of coal to major consumers, have been established with reference to the production targets for each year of the Fifth Plan.
- (b) Please indicate the additional investments already made/proposed to be made during the Fifth Plan period for augmenting the capacity for coal traffic and the justification therefor.
- (c) Please also indicate precisely how the investments made in the Fourth Plan to meet the anticipated increase in coal traffic which did not materialise have been fully taken into account for each year of the Fifth Plan.

Reply of Government

- (a) Linkages for supply of coal to major consumers (except steel plants and Railways) are decided by the Standing Linkage Committee

under the Department of Coal. Linkages for Thermal Power Stations and Cement Factories have been established by this Committee which reviews these linkages periodically. This is a continuous process.

As regards supply of coal to Steel Plants, a Committee which was constituted in December 1974 under the Chairmanship of the Secretary, Department of Coal, to establish *inter-alia* firm linkages for the supply of prime and medium raw/washed coking coal and blendable coal to the Steel Plants during the Fifth and Sixth Plans, had submitted its report in September 1975. The Coal Controller accordingly makes monthly allocation to each Steel Plant, Washery, etc.

In so far as supply of coal to Railways is concerned, the programmes sponsored by the Ministry of Railways in accordance with the annual loco contract and allotments are made on the basis of the same.

(b) & (c) As has already been intimated to the Committee earlier in reply to point No. 26 arising out of the evidence of the official representatives of the Ministry of Railways before the Railway Convention Committee in November, 1974, augmentation of line capacity for handling traffic has to be undertaken keeping in view the movement of all commodities that require rail transport and not on the basis of any single commodity. In addition, likely growth in passenger traffic is also to be taken into consideration while undertaking works for augmenting line capacity. While it is feasible to indicate the total amount spent during the Fourth Five Year Plan for augmentation of line capacity (which amounted to Rs. 225 crores) and the amount likely to be spent during the Fifth Plan (which is Rs. 315.9 crores as per the final version of the Fifth Five Year Plan), a break-up of the same to indicate the component for each individual commodity is not feasible.

The methodology followed by the Railways while planning for new line capacity works is that the line capacity available as at the end of the Plan period/previous year is always taken into consideration while formulating schemes for the next plan/next year, and the same methodology has been followed in the case of the Fifth Plan also. This methodology automatically takes into account the investments already made and the resultant capacity, while taking decision on further investments in line capacity works.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCE)-4227
Vol. II dated 23-11-1976].

Recommendation (S. No. 29, Para No. 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 Railway 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.

Reply of Government

As has been intimated to the Committee in regard to Recommendation Nos. 117 and 118, recommendations of the Coal Transport Planning Study Teams are being implemented in a phased manner in consultation with the concerned agencies keeping in view the actual growth of traffic and the constraint of resources.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCE)-4227 dated 22-9-1976].

Recommendation (S. No. 30, Para No. 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 short fall was as much as 11 million tonnes compared to the original target of 28 million tonnes of coal for both steel plants and washeries.

Reply of Government

Noted. Reasons for shortfall in movement of coal to Steel Plants/Washerries have already been explained to the Committee in reply to Item 11 of the List of Points on Railways' fourth and fifth Five Year Plans for which written replies were called for. During the current year, against a target of 2600 wagons daily for coal to Steel Plants/Washerries, the average daily loading during the months April '75 to January '76 has been of the order of 2350 wagons which by and large caters to the requirements fully. Even with this less level of loading as compared to the target, the stock with Steel Plants has reached over 6 lakh tonnes, a stage where some steel plants have expressed their inability to take more coal.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCE)-4227 dated 22-9-1976].

Recommendation (S. No. 31, Para No. 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.

Reply of Government

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCE)-4227 dated 22-9-1976].

Recommendation (S. No. 32, Para No. 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 36,000 tonnes which requires 2700 rail wagons to be loaded per day. The 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 1-1-1974) to 1,15,000 tonnes as on 1-2-1974".

Reply of Government

The reply given to the Estimates Committee is reproduced below for information of Railway Convention Committee.

"Movement of coking coal to Steel Plants has not suffered for want of rail transport but for availability of coking coal. The Railways give top priority to this movement all the time. The stock of coking coal in Steel Plants on 1-5-1975 is 2,47,030 tonnes".

In this connection attention is also invited to reply to Item No. 30 which sums up the current position regarding movement of coal to Steel Plants.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCE)-4227 dated 22-9-1976].

Recommendation (S. No. 33, Para No. 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".

Reply of Government

Noted. It is, however, clarified that Railways treat the movement of coal to Steel Plants as a matter of great priority and in the recent past the movement has been so satisfactory that with a loading slightly less than the target, the steel plants have reached a stage where they are curtailing their intake of coal. The movement to steel plants is ready governed by well-defined pattern based on the principle of supplies being arranged from the nearest coal-fields to the maximum extent possible. Consistent with the requirement of the steel plants for getting the optimum blend of different varieties of coal, the linkage is reviewed practically on a monthly basis and movement arranged on a top priority basis.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 34, Para No. 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 off the Fourth Plan and that the supply did not exceed 34.3 million tonnes during any of the preceding five years.

Reply of Government

Noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 37, Para No. 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.

Reply of Government

Noted. The current trends prove that the Railways are already fulfilling this objective.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 38, Para No. 3.67)

The Committee note that the Railways started experiencing difficulties in obtaining adequate supplies of steam coal from early 1973 and inspite 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 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.

Reply of Government

The observations of the Committee are noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 39, Para No. 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.

Reply of Government

The observations of the Committee are noted. The following corrections in the figures are necessary :—

1. Railway's requirements at the end of 1973-74 were estimated as 14.6 million tonnes and not 14.04 million tonnes.
2. According to the earlier estimates before the oil crisis the requirements during the year 1974-75 were assessed at 14.04 million tonnes, but as a result of rephasing of withdrawal of overaged steam locos, the requirements for the year 1974-75 were assessed at 14.4 million tonnes.
3. There were no shortfall in the supplies in 1970-71. The supplies were regulated to the actual requirements.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 48, Para No. 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.

Reply of Government

The matter of weighment of loaded coal wagons has been engaging the attention of this Ministry from time to time. Instructions were issued in 1962 that care should be taken to ensure that BOX wagons are loaded upto the loading lines marked, and if it is found that coal has not been loaded upto the marked lines, the extent of underloading should be noted and a remark passed accordingly on the Railway Receipt. The freight was, however, to be charged according to rules. Again, in the year 1974, the importance of 100% weighment of loaded coal wagons was emphasised, instructing the Railways, *inter-alia*, that wherever it is not possible to weigh coal wagons for various reasons, instructions given in the year 1962 may be followed, for issue of loading certificates upto loading lines marked on the basis of density of coal and passing necessary remarks in Railway Receipts for unweighed wagons.

2. The extent instructions are that 100% weighment of coal wagons must be ensured at all coal loading points. In as much as 100% weighment of coal wagons is insisted upon, the question of loading upto loading lines only marked on the wagons taking into consideration the density and the grade of coal, is only of academic importance. There have, however, been some operational difficulties in ensuring 100% weighment on the Eastern Railway and at Katrasgarh Depot in particular. The high percentage of coal wagons not weighed during the period July—October 1974 was due to the shifting of the base of the Kattri Pilot from Katrasgarh to Gomoh from 26-1-1974 in connection with the remodelling of large number of sidings in Katras area. Loaded wagons from collieries served by Khatri Section were consequently being taken direct to Gomoh for onward despatch. With the completion of all remodelling works, the base has been shifted back to Katrasgarh from July 1975 and since then, there has been a substantial reduction in the percentage of wagons not weighed.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 45, Para No. 3.81)

According to the Adviser (Transport), Coal Mines Authority, "Since over-loading 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.

Reply of Government

With effect from 15-10-1975 the minimum weight for charge for coal loaded in Broad gauge 4-wheeled wagons has been revised to CC+2 tonnes. With effect from 15-11-1975, the minimum weight for charge for coal and other commodities loaded in BOX wagons for which the notified minimum weight condition is carrying capacity, has also been enhanced to carrying capacity plus two tonnes. With the revision of the minimum weight condition as indicated above, freight is being charged on coal wagons for the quantity permitted to be loaded in a wagon. Irrespective of whether

the wagon was loaded upto the permitted carrying capacity of wagon or not, freight charges are at present being realized on carrying capacity plus two tonnes.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 48, Para No. 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.

Reply of Government

Instructions already exist that loading of coal upto the loading lines, keeping in view the density and grade of coal, should be ensured. In fact, to ensure that correct quantity is loaded in a wagon, directives have also been issued to the Eastern and South Eastern Railways in April '76 to ensure 100% weighment of all public Steam Coal/Loco Coal and slack coal. Since the consignors in the case of coal are Coal (India) Limited, copies of weighment statements are also being furnished to them to ensure correct loading of wagons.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 49, Para No. 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.

Reply of Government

This is an observation.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 50, Para No. 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.

Reply of Government

The observations of the Committee are noted. It may, however, be mentioned that 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 by other user Ministries/Public sector undertakings and the Planning Commission. To the extent the projections furnished to the Railways prove inaccurate, the Railways planning is bound to be vitiated.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976].

Further information called for by the Committee

Please indicate the investment made/proposed to be made for iron ore export traffic in each year of the Fifth Plan and the extent to which it has been set off by capacity created in the Fourth Plan.

Reply of Government

The Committee is requested to refer to reply under Recommendation No. 28 (b) & (c).

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 Vol.II dated 23-11-1976]

Recommendation (S. Nos. 51—54, Para Nos. 3.111—3.114)

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.

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 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."

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."

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.

Reply of Government

The observations of the Committee are noted. The reasons for short-fall in the supply of wagons vis-a-vis the indents placed by the cement industry during the years 1969 to 1973 have already been furnished to the Committee and reviewed by the Committee in details in its Eighth Report.

It will be appreciated that Railways' capability to lift a particular quantum of traffic on the basis of capacity created is dependent on the existence of normal conditions of working. If the normal functioning of the Railways is disturbed, short fall in the lifting of traffic is inevitable. As is well known during the past few years, the railway operations were plagued by various unforeseen and extraneous factors. This severely affected the operations on the Railways including the loading of cement.

With the progressive return of normalcy on the Railways after the calling off of the All India strike by Railwaymen in May, 1974, there was an

improving trend in Railway operation which received a fillip after the declaration of the Emergency in June 1975. The loading of all commodities including cement increased significantly and the Railways expect to load in 1975-76 about 11.5 million tonnes of cement which will be an all-time record. Due to excellent movement of cement in the last few months, cement is freely available throughout the country and practically all States have lifted controls on the distribution of cement. The wagon demands of the cement industry are being fully met.

A similar happy position prevails in the supply of coal to the cement plants who are now having inventories of more than three weeks, consumption of coal and are reluctant to build their inventories further though the Railways are in a position to move more coal to the cement plants.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 55, Para No. 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.

Reply of Government

The observations of the Committee, which are in accordance with the extant policy, are noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 57, Para No. 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 finding of the Khandelwal Committee which had recently examined the matter in depth.

Reply of Government

The observations of the Committee have been brought to the notice of the Ministry of Steel and Mines for necessary action.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976].

Further information called for by the Committee

Please indicate the progress made in removing the bottlenecks in the smooth movement of rail traffic in steel plant yards in the light of the findings of the Khandelwal Committee.

Reply of Government

Further observations of the Committee have been brought to the notice of the Ministry of Steel & Mines for necessary action.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227/
Vol. II dated 23-11-1976].

Latest Information furnished by Government

The above mentioned recommendation concerns the Ministry of Steel and Mines whom this was referred to by this Ministry. Ministry of Steel have sent their comments *vide* their Office Memorandum No. 20(21)/76-RMI dated 14th April, 1977 (copy enclosed) to the Railway Convention Committee, Lok Sabha Secretariat, New Delhi and copy endorsed to the Railway Board.

Certain clarifications on the comments offered by the Ministry of Steel are given in Annexure-I. In order to speed up implementation of the findings of the Khandelwal Committee in this regard it is proposed to have a co-ordination meeting at the ministerial level shortly and the Committee would be apprised of the progress thereafter.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4229
dated 25-10-1977].

COPY

No. 20(21)/76-RMI
Government of India
Ministry of Steel and Mines
Department of Steel

New Delhi, the 14th April, 1977
OFFICE MEMORANDUM

SUB. : 8th Report of Railway Convention Committee 1973.

The undersigned is directed to refer to Railway Board O.M. No. 76-TT(I)/75-4 dated 5th March, 1976, on the subject mentioned and to furnish required information with regard to tank wagon detention in Bhilai Steel Plant, Rourkela Steel Plant, Durgapur Steel Plant and Bokaro Steel Limited as per statement (i) enclosed.

2. It would be seen from the enclosed statement I that except some marginal increase in BSL the detention to tank wagons has been considerably reduced during the previous two years. The extent of reduction being 38% in Bhilai, 21% in Rourkela and 5% at Durgapur. Further reduction in detention time is possible only when the Railway streamline supply of wagons so as to make available good fit wagons to the steel plants in the manner required.

3. Similar information in respect of Tata Iron and Steel Co. Limited and Indian Iron and Steel Co. is furnished in the enclosed statement.

Sd/-

Under Secretary to the Govt. of India

To

Railway Convention Committee,
Lok Sabha Secretariat,
New Delhi.

Copy with enclosures forwarded to Railway Board, New Delhi
w.r.t. to their letter O.M. No. mentioned above—

Sd/-

Under Secretary to the Govt. of India

DA : As stated.

STATEMENT 1

Sub. : *Eighth Report of the Railway Convention Committee 1973 Recommendation No. 57 thereof.*

XXX

XXX

XXX

I. Bhilai Steel Plant

The average detention of tank wagons for the last three years, i.e. from 1973-74 to 1975-76 has been as follows :

1973-74	.	.	.	.	.	.	.	180 Hrs.
1974-75	.	.	.	.	.	.	.	151 Hrs.
1975-76	.	.	.	.	.	.	.	112 Hrs.

2. The recommendation of Khandelwal Committee with regard to formation of Captive Block rake between Bhilai & Durgapur for pitch creosote mixture movement has been implemented.

3. Railways have been approached for clearance for booking of tank wagons on volumetric basis and not on physical weighment as at present and issue of RRS/Invoices accordingly. The process of weighment of tank wagons, which is contributing to their detention, will then be dispensed with.

4. Railways have to implement the recommendation for through check-up of tank wagons before sending them into plant for loading in order to avoid rejection of wagons after loading and consequent delays.

II. Rourkela Steel Plant

The average detention to tank wagons for the last three years is as follows :

1973-74	.	.	.	.	108 Hrs. 40 Mts.
1974-75	.	.	.	.	109 Hrs. 51 Mts.
1975-76	.	.	.	.	109 Hrs. 39 Mts.

2. As recommended, the handling facilities for Furnace Oil LSHS wagons have been improved. This has contributed to significant reduction of detention time in spite of handling more nos. of LSHS tank wagons, which require steam preheating for 4 to 8 hours before unloading.

3. Extra steam cleaning arrangements for benzene tank wagons have been provided.

4. Further reduction in detention could be achieved if defective tank wagons with non-standard fittings are reduced if not eliminated.

III. Durgapur Steel Plant

The average detention to tank wagons for the last three years has been as follows :

1973-74	.	.	86.5 Hrs.
1974-75	.	.	108 Hrs.
1975-76	.	.	81.5 Hrs.

2. Recommendation regarding extension of tar/pitch creosote Mixture gully for 4 tank wagons to 7 tank wagons has been implemented.

3. As recommended, LSHS tanks off loading siding whether 60 tanks can be decanted at a time, has been provided and round the clock unloading is being carried out.

4. Here also, the detention of tank wagons can be further reduced, if supply of defective tank wagons by railways, is reduced, if not eliminated.

IV. Bokaro Steel Limited

The average detention period of tank wagons has been 120.40 hrs. in 1973-74 and 127.54 hrs. in 1975-76.

2. In 1973-74, mostly empty tank wagons were received for tar loading and high detention time was mainly due to receipt of empty wagons much in excess of the requirement.

3. The detention during the year 1975-76 was somewhat higher mainly due to the following reasons :—

- (a) the tank wagons for sulphuric acid, furnace oil and wash oil were received piecemeal and had to be handled at different sidings, which are far away from the works station.
- (b) Railways had desired that the tank loaded with coal tar may be handed to them in rakes or at least in lots of 20 whereas supplies of empties were not regulated. With empties received in piecemeal, they had to be detained till it was possible to make over in lots of 20 wagons.
- (c) quite frequently, empties received from Railways for coal tar loading were defective and had to be returned without being utilised.
- (d) unloading of DH tar tankers took a lot of time as they were required to be steam heated for a prolonged period before tar is fluid enough for pumping.

STATEMENT II

TISCO

(1) The report of the Khandelwal Committee—1973 on TISCO had observed that "As the overall consumption of furnace oil in the plant is linked up with the availability of coke oven gas, which is expected to improve with the increased pushing at coke ovens no change in the pattern of movement and distribution inside the plant is being suggested."

Accordingly, it may be noted that as against 5810 Nos. tank wagons of fuel oil received in 1973-74, only 1416 wagons have been handled in 1975-76 and this is expected to be further reduced to around 300 wagons in the current years i.e. 1976-77.

(2) Inspite of the significant reduction in the number of fuel oil tank wagons received in 1975-76, the detention to tank wagons went up in 1975-76 as compare to 1973-74. This is due to the fact that whereas the furnace oil consumption has come down sharply, the fuel oil supplies continues to be in rake loads. At present, the furnace oil is being consumed only in the power plant No. IV, where the unloading capacity is limited. Action is being taken to step up the release of furnace oil wagons.

(3) The detention of HSD & LDO tank wagons are also high. This is also due to the fact that as against the monthly requirement of 20 HSD and 15 LDO tank wagons and daily unloading capacity of 6 tanks wagons of HSD and 5 tank wagons of LDO, their receipt are in lots of 15—30 wagons at a time, leading to their detention. The question of increasing the unloading capacity for HSD is being examined.

(4) Due to the unavailability of tank wagon empties (in time) for Benzol loading from Railways, other tank wagons meant for fuel oil, molasses, HSD etc. are being used after extensive cleaning, which is time consuming, leading to their detention.

(5) 8 to 10% of tank wagons received from Railways have defective unloading valves and there is heavy delay in unloading them.

IISCO

1. The average detention to tank wagons mainly comprising of coal tar and fuel oil wagons has been as follows :—

1973-74	88.4 Hours
1974-75	63.8 Hours
1975-76	49.0 Hours

It may therefore be noted that the average detention has come down significantly in 1975-76.

2. The unloading fuel oil wagons was earlier slow @ of 3 tanks per day due to limited storage capacity at the sheet Mill. With the provision of 4 Nos. of storage tanks and arrangement for unloading 43 wagons in one placement, the detention of fuel oil tank wagons has come down from the average figure of 120 hrs. in 1973-74 to 43 hours in 1975-76. This figure could be reduced further, if the Railways would agree to move the fuel oil

tank wagons from Haldia refinery via Eastern Railway and not via South Eastern Railway which involves movement of tank wagons to the unloading station through very difficult and congested areas inside the works causing detention to the tank wagons.

Eastern Railways have not so far accepted the same, even though IISCO has agreed to bear the additional freight involved.

3. The recommendation of the Khandelwal Committee for increasing the capacity by extending the coal tar drain to accommodate 12 wagons in one placement from 6 wagons, has been accepted but the facility could be developed only to accommodate 10 coal tar wagons at a time for want of space.

4. The Khandelwal Committee had also recommended as a long term measure for provision of a gully of 12 wagon lengths to enable bottom discharge of contents i.e. coal tar. This recommendation has been accepted in principle but implementation has been deferred as import of tar has been very nominal from 1st November, 1976.

5. Detention to coal tar wagons has already been brought down from 69.6 hours in 1973-74 to 56.1 hours in 1975-76. This could not be further cut down due to :

- (a) Every tank wagon had to be weighed twice first with coal tar and again in empty condition to ascertain the quantity received. Further, on several occasions, the tank wagons had to be detained for joint inspection of the representatives of the supplier and the plant to sort out the discrepancies in weight and quality of tar.
- (b) The loco availability has been critical through this period, inspite of procurement of 4 Nos. of new locos in 1973. Due to their frequent outages. The position will improve with the proposed procurement of 8 Nos. of new locos, which has been approved for import by the Railway Board and the Steel Ministry.
- (c) Tank wagons have also suffered detention due to defective discharge mechanism requiring assistance of Railway TXR staff for rectification.

ANNEXURE I

Para I (3)

Railways have been following the principle of computing freight charges on the basis of the carrying capacity of tank wagons for all types of products moving in such wagons.

Para I (4) and Para III (4)

Railways already have a system of examination of tank wagons in regard to the underframe prior to the placement for loading. However, certain defects like leakage of barrels and valve defects can be detected only after physical loading takes place. Such rejections are, however, negligible and are by their very nature inherent in the system.

Para II (2)

Adequate arrangements for pre-heating of LSHS wagons to be provided by Steel Plants enable release of rake of these wagons within the normal free time allowance as have been achieved in thermal power stations like Trombay, Dhvavar etc.

Para II (3)

Certain non-standard fittings in tank wagons fitted with steam heating pipes are being standardised.

Para IV (3-b)

The system of moving loaded coal tar wagons in rakes or at least in lots of 20 wagons even at the cost of increasing the detentions in the steel plants has paid handsome dividends by reducing the overall turn-round time of tank wagons moving in the circuit.

Recommendation (S. No. 58, Para No. 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.

Reply of Government

Noted

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 59, Para No. 3.123)

The Committee, however, note that the loading of fertilisers showing 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.

Reply of Government

Observations of the Committee have been brought to the notice of the Ministry of Agriculture and Irrigation. Regarding reasons for less materialisation of traffic in fertilisers the Ministry of Agriculture and Irrigation have stated that the fertiliser position became quite difficult from the middle of 1973, more so after the oil crisis. Fertiliser prices marked a big increase. Ocean freight rates also went up. There were also set-backs in rail movement during 1973-74 as a result of a series of strikes, agitations, work-to-rule and work-to-designation campaigns affecting railway operations in general.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 60, Para 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.

Reply of Government

It has always been the endeavour of the Railways to make their assessment of traffic and planning for the same as accurate as possible. It has, however, to be appreciated that in making their assessment of transport needs for major commodities including fertilisers, the Railways have to necessarily depend upon the information made available to them by the various 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.

2. As regards suitable linkages for movement of fertiliser traffic, so as to avoid unnecessary cross movements, it may be stated that in the case of imported fertilisers the movement is normally arranged according to the Rationalisation Scheme for movement from various ports. As regards the movement of indigenous fertilisers, its movement programme is finalised in the Quarterly Programme Inter-Ministerial meetings convened by the Ministry of Agriculture. Every possible effort is made to see that cross and irrational movements are avoided to the maximum extent possible.

3. The above recommendation has, however, been brought to the notice of Department of Agriculture.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 61, Para No. 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.

Reply of Government

The observations of the Committee are noted. It is, however, stated that while the traffic targets in respect of the principal commodities like coal, steel plant traffic, iron ore for export, cement, foodgrains, fertilisers and POL products are fixed in consultation with the concerned Ministry and the Planning Commission, the traffic targets in respect of the other commodities categorised under the broad heading, "Other Goods" can only be fixed in relation to the growth of the economy as a whole. The princi-

pal commodities included under the category 'Other Goods' include Salt, Sugar, Tea, Cotton, Oilseeds, Gur (Jaggery), Mineral products etc. Wherever possible, commodity-wise targets for movement of this traffic are also fixed and a watch kept over the attainment of these targets.

Reasons for shortfall in goods traffic *vis-a-vis* target in the Fourth Five Year Plan have already been explained to the Committee in reply to Point No. 2 of the Questionnaire on Railways Fourth Five Year Plan wherein it has been pointed out that against an overall rate of growth of 5.7% per annum during the Fourth Five Year Plan period, the economy experienced a rate of growth of 5.2% in 1969-70, 4.2% in 1970-71, 1.7% in 1971-72 and 0.6% in 1972-73.

The Ministry would also like to point out that during the current year 1975-76, Railways had fixed a target of 47.50 million tonnes of traffic under the category 'Other Goods'. Although Railways are in a position to load all the traffic offered to them, the offer of general goods traffic has not been upto the anticipations and the Railways do not expect to load more than 46.0 m. tonnes of general goods traffic in the current year. The shortfall of 1.5 m. tonnes in the current year is directly attributable to the inadequate offering of general goods traffic.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 62, Para No. 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.

Reply of Government

The observations of the Committee are noted.

The Railways attach the highest importance to movement of essential commodities. The movement of these commodities is arranged in a programmed manner. Daily plans of movement are worked out and a day-to-day watch is kept over their compliance.

Railways have taken several steps to attract high-rated traffic to rail. Some of the steps taken are detailed below :—

- (a) The high-rated commodities have been selectively accorded a higher priority classification in the Priority Schedule of Movement of Traffic.
- (b) High Profit-yielding commodities susceptible to diversion to road have been made free from the constraints of operating restrictions and quota limitations.
- (c) Container services, freight forwarder services, QTS, have been progressively extended to attract this traffic.
- (d) Movement of this traffic has been streamlined by clearing them by nominated fast super goods trains.

(e) Close liaison is kept by the Marketing and Sales Organisation with the trade to attract more of high rated traffic to rail.

As a result of the steps taken by the Railways, the loading of 80 selected high-rated traffic has shown an improvement by 5.2% in the current year upto January 1976 as compared to the corresponding period of last year. The additional earnings have been to the extent of 16.6%.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 63, Para No. 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.

Reply of Government

The Committee's observations regarding a realistic assessment of materialisation of Railways' own traffic are noted.

The actual loading of non-revenue traffic (other than Coal) during the Fourth Five Year Plan period was as under :—

1969-70	16.13 m. tonnes
1970-71	12.25 m. tonnes
1971-72	11.16 m. tonnes
1972-73	9.85 m. tonnes
1973-74	7.69 m. tonnes

It will be seen from the figures given above that the loading of non-revenue traffic was more or less upto the target in the first year of the plan but declined thereafter.

The materialisation of Railway material traffic depends to a large extent on the annual allocation of funds for carrying out various works on the Railways. Due to paucity of funds and difficult ways and means position and escalation of price level in the IVth Plan period, it was not possible for the Railways to maintain the tempo of works at a high level and to go ahead with all their proposed developmental and construction programme. As a result, a shortfall in lifting of Railway material traffic was inevitable as within the available capacity priority had to be given to movement of revenue earning traffic.

Further, during the years 1970-71 and 1971-72 period the Railways were faced with a difficult law and order situation, anti-social activities, agitations and bandhs in several States, large scale theft of railway material etc. which

seriously affected Railways' capacity to handle traffic including their own traffic. Although there was some improvement in law and order situation in 1972-73 in some areas, the anti-social activities and difficult labour relations continued to affect the Railway working. The year 1973-74 was the most difficult year in the history of the Railways, when there was a serious deterioration in the labour relations on the Railways and Railway operation on practically all the Zonal Railways were adversely affected.

With these constraints on their working, Railways had to give preference to clearance of public traffic over and above their own traffic. As a result, the loading of Railway material traffic had to be suitably regulated. In certain saturated sections, ballast for Railways was arranged to be collected at site rather than despatching it by departmental ballast trains.

It is further pointed out that although Railways' own traffic declined steeply in the years 1970-71 to 1973-74 as compared to the first year of the Fourth Plan, there was no serious deterioration in the lifting of revenue earning traffic during these years despite the various constraints under which the Railways had to function during these years. In fact, in the year 1972-73, the Revenue earning traffic was at a high level of 175.3 m. tonnes.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 Vol. II dated 23-11-1976].

Further information called for by the Committee

Please furnish a statement showing the precasts and actual materialisation of Railways' own traffic during each year of the Fifth Plan together with reasons for variations, if any.

Reply of Government

The materialisation of non-revenue traffic (other than coal and diesel oil) against the budgeted target during the first two years of the Fifth Plan was as under :—

Year	Target	Actual	(In million tonnes)	
			Variation Increase (+)	Decrease (-)
1974-75	12.0	6.95	—5.15	
1975-76	5.50	9.70	+4.20	

The loading of goods in general including railway material suffered during 1974-75 due to disturbed conditions of working on the Railways including the All-India Railway Strike of May 1974 and its after effects. This was primarily the cause for the shortfall in loading during 1974-75.

The Budget target for 1975-76 was kept on the same trend of materialisation as during 1974-75. The working conditions on the Railways, however, improved substantially especially after the imposition of Emergency, thereby enabling the Railways to lift more traffic than was budgeted for. Not only had the non-revenue traffic lifted gone up, but the revenue earning

freight traffic has increased by more than 6 million tonnes over the budgetted target.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227
Vol. II dated 23-11-1976.]

Recommendation (S. No. 64, Para No. 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 percent. 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."

Reply of Government

Observations of the Committee are noted.

The position in regard to increase in passenger coaches during the IV Plan has been explained to the Committee in reply to Recommendation No. 66. The net increase in coaching stock during the IV Plan on the total of BG, MG and NG stock was about 9%. However, no provision was made for NG coaches on additional account in the Plan. Therefore, increase in passenger coaches is relevant only on the BG and MG and the increase on these two gauges worked out to 11.5%. While the BG and MG coaches placed on the line during the Fourth Plan were almost equal to the provision, the net short fall was contributed by a higher number of coaches taken off the line, vis-a-vis provision on replacement account. The coaches taken off the line included, in addition to normal condemnation, 528 coaches for which replacement had been already made in the period before the IV Plan but which were being continued in service on condition basis because of traffic requirements.

It has been already explained to the Committee that although it was not possible to provide for the entire growth of passenger traffic during the IV Plan due to various constraints, such as terminal difficulties, want of adequate line capacity on trunk routes, etc., the requirements of long distance passenger traffic were largely met by strengthening existing trains and introducing additional trains within the available resources. The details of additional trains and coaches introduced during the IV plan have been already furnished to the Committee.

It is resubmitted that overcrowding mainly persists on important mail and express trains and in unreserved coaches, which is primarily due to passenger preference for these trains. This Ministry would like to assure the Committee that the Railways are fully alive to the need for further

improvement in this direction and action is being taken to introduce more trains and strengthen the existing trains, keeping in view traffic demands and availability of resources.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 65, Para No. 4.13)

The Committee regret to observe that over-crowding 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.

Reply of Government

Consistent with the availability of requisite resources by way of rolling stock, line/terminal capacity etc., continuous efforts are being made to introduce additional trains and extend the runs of existing trains and augment their loads in order to meet the requirements of traffic and to reduce overcrowding on different sections. During the years 1975-76 and 1976-77 so far a total of 78 trains have been introduced and the runs of 66 trains extended. 22 pairs of trains have also been dieselised during this period providing additional accommodation to the tune of 2 to 3 coaches on each train.

On the Delhi-Madras route, a biweekly Jayanti Janata Express train has been introduced between Hazrat Nizamuddin and Secunderabad, the frequency of Hazrat Nizamuddin-Mangalore/Cochin Jayanti Janata Express has been increased from 3 days to 5 days in the week. A super fast tri-weekly express train is being introduced between New Delhi and Madras from 7-8-76 and simultaneously the frequency of 15/16 New Delhi-Madras G.T. Express is also being increased from 5 days to all the 7 days in the week withdrawing the biweekly A/C Express on this route.

On the Bombay-Madras route, Nos. 9/10 Bombay-Madras Mail and 13/14 Bombay-Madras Janata Express trains have been dieselised thereby augmenting the accommodation in these trains. A bi-weekly Jayanti Janata Express has also been introduced between Bombay and Ernakulam/Mangalore.

On the Delhi-Amritsar route, an express train has been introduced between Tatanagar and Amritsar on 4 days in the week. Nos. 17/18 Madras-Delhi Janata Express has also been extended to run to/from Jammu-Tawi.

On the Lucknow-Katihar route, the loads of 17 Up/18Dn Vaishali Express have been suitably augmented by double heading/dieselising this train between Lucknow and Gorakhpur.

With the availability of requisite resources and having regard to the requirements of traffic, efforts will be made to provide additional services on these and other routes.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 6, Para No. 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.

Reply of Government

It is correct that the total Passenger Carrying Vehicles (PCVs) increased from 23,701 units in 1968-69 to 26,018 (revised) units in 1973-74, or by about 9%. However, during the Fourth Plan, no provision was made for Narrow Gauge coaching stock on additional account. Further on the Broad Gauge and Metre Gauge, 4-wheeler stock was progressively replaced by bogie stock. Therefore, it is relevant to consider the increase in passenger coaches only on Broad Gauge and Metre Gauge and in terms of bogies.

2. The holding of BG and MG passenger coaches (PCVs in terms of bogies) increased from 21,954 (equal to 22,234 units) as on 31-3-1969 to 24,485 (equal to 24,627 units) as on 31-3-1974, constituting an increase of 11.5 per cent during the Fourth Plan.

The Plan had made a provision for an increase of 14.1 per cent in the BG and MG PCVs (in terms of bogies) for catering to an anticipated increase of 19.8 per cent passenger kilometres during the Plan period after taking into consideration improved norms of vehicle utilisation and availability of resources. Thus, as against the Plan provision of 14.1 per cent increase, the actual increase of 11.5 per cent in BG and MG PCVs reflects a shortfall of only 2.6 per cent.

3. As regards the reasons for shortfall, it is stated that while the total stock placed on line during the Fourth Plan was almost equal to the provision, the stock taken off the line was more than the provision on replacement account. During the Plan period in addition to condemnation of 2214 coaches another 528 coaches were taken off the line without replacement, since replacement for these had been made in the period before the Fourth Plan, but the stock was being continued in service on condition basis because of traffic requirements. The figures of provision, condemna-

tion, taken off the line and net addition to passenger coaches on the Broad Gauge and Metre Gauge during the Fourth Plan are indicated below :

	<i>BG—MG PCVs—Unit</i>		
	<i>Additional Account</i>	<i>Replacement Account</i>	<i>Total</i>
(i) Provision	3090	2180	5270
(ii) Total addition during the Plan	3381	1754	5135
(iii) Condemnation	—	—	2214
(iv) Withdrawal from service of stock for which replacement was made before IV Plan	—	—	528
(v) Net addition	—	—	2393

The Fourth Plan had made a total provision of Rs. 167.08 crores for coaching stock. Against this the actual expenditure was Rs. 185.71 crores. The reason for excess in expenditure was steep increase in the cost of coaches. For example the average cost of a BG coach went up from about Rs. 1.96 lacs in 1968-69 to Rs. 3.24 lacs in 1973-74 or by about 65 per cent. Similarly the average cost of MG coach went up from about Rs. 1.46 lacs in 1968-69 to about Rs. 2.09 lacs in 1973-74 or by about 46 per cent.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 67, Para No. 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.

Reply of Government

Observations of the Committee are noted. It may however be pointed out that the requirements of passenger traffic during the Fifth Plan were studied in detail by a Working Group and the strategy adopted in the Draft Fifth Plan is to endeavour to clear fully the long and medium distance traffic. It may be observed, however, that the availability of season tickets upto 80 kilometres is an attraction to rail traffic. Roadways do not give this concession and in the interest of rail-road coordination roadways should also consider such concessions.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Further information called for by the Committee

Please furnish three copies of the Report of the Working Group appointed to study the requirements of passenger traffic during the Fifth Plan.

Reply of Government

Three copies of the Report of the Working Group appointed to study the requirements of passenger traffic during the Fifth Five Year Plan are enclosed, as desired.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227/
Vol.II dated 23-11-1976]

Recommendation (S. Nos. 71-72, Para Nos. 4.29 and 4.30)

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 2.11, 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.

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.

Reply of Government

Consistent with the availability of Electric Multiple Unit Coaches and other requisite facilities continuous efforts are being made to introduce additional suburban trains to provide relief to commuters in the Metropolitan cities of Bombay, Calcutta and Madras. Altogether 112 suburban trains have been introduced/extended in these areas during 1975-76. Of these, 55 suburban trains have been introduced and the runs of 37 suburban trains have been extended in Bombay area, 12 suburban trains have been introduced in Calcutta and 8 in Madras areas.

With the quadrupling of Churchgate-Grant Road section, the number of train services on the Western Railway has been increased from 501 to 616. With the increase and availability of rakes and completion of other facilities like augmentation of power supply arrangements etc., it is proposed to increase the number of services on the Western Railway to 722 progressively. About 30 additional trains are also proposed to be introduced on the Central Railway within the next few months when a few more

rakes become available. Additional stock for Calcutta and Madras areas have been programmed and as and when they become available, suburban services in these cities will be augmented.

[Ministry of Railways (Rly. Board O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 73, Para 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 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.

Reply of Government

The observations of the Committee are noted.

[Ministry of Railways (Rly. Board O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. Nos. 77 & 78, Para Nos. 5.4 and 5.5)

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 1,075 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.

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.

Reply of Government

The observations have been noted.

[Ministry of Railways (Rly. Board O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Further information called for by the Committee

Please indicate the precise action taken in pursuance of the recommendation.

Reply of Government

In view of the meagre allotment of funds made by the Planning Commission for construction of new railway lines/conversions, effort is being made to concentrate on some of the lines and to complete them, while only token allotments are being made on lines which have not been started and those not required urgently. The work on the projects which have been taken up, is being done in suitable phases, so that with the funds available, it is possible to complete and open some portions of the lines to traffic. Very few new projects are being taken up. In the Railway Budget for 1975-76 only one new rail link viz; Hirdagarh-Damua (14 Kms.) was included, this being a project oriented line. In the Budget for 1976-77 no new rail link was included for being taken up during 1976-77.

The following projects are being constructed in phases :

Sl. No.	Name of project	Remarks
1.	Bibinagar-Nadikude line	. The construction work has since been taken up on the section from Bibinagar to Nalgonda (74 - KM) only.
2.	Jakhapura-Banspani	. It is proposed to take up work Jakhapura-Daitari section in the first phase (33 K.M.).

[Ministry of Railway (Rly. Board) O.M. No. 75-B(RCC)-4227/ Vol.II dated 23-11-1976]

Recommendation (S. No. 79, Para No. 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 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.

Reply of Government

Conversion of about 326.41 Kms. MG lines to BG sanctioned during 3rd Plan was thrown-forward to Fourth Plan. Gauge conversion of another 1559 of kms. of MG lines into BG lines were sanctioned during the Fourth Plan. Conversion of 326.41 Kms. of MG lines into BG thrown forward from the Third Plan were completed and opened to traffic during the Fourth Plan. The remaining gauge conversion projects had to be progressed at a restricted

pace on account of the difficult economic situation in which the country was placed and the consequent limitation on the availability of funds.

Regarding shortfall in doubling programme, the lesser progress is due to the severe shortage of funds consequent to the difficult economic situation in the country.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC-4227 dated 22-9-1976].

Recommendation (S. No. 80, Para No. 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 telecommunication 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.”

Reply of Government

The survey for electrification of Virar-Ahmedabad section was carried out in 1965-66. The scheme was sanctioned in 1967-78 for execution. Subsequently, in the year 1970-71, there were un-precedented floods in the section leading to serious breaches of track at a number of places. It was, therefore, decided to raise the level of tracks over the various stretches on the section as flood protection measures. It will be appreciated that the need of flood protection measures could not have been foreseen at the time of the survey of the section for its electrification, as well as the commencement of electrification work.

With regard to imported equipment, it is stated that after taking the responsibility of laying cables from P&T sometime in 1968, efforts were made by the Railways to develop indigenous manufacture of hitherto imported cables

in the works of M/S Hindustan Cables Ltd., a public sector undertaking. Accordingly, discussion were being held with the representatives of Hindustan Cables Ltd. from January, 1969 onwards. Virar-Ahmedabad Project consisted of three groups viz., Virar-bulsar (Group 30), Bulsar-Baroda (Group 31) and Baroda-Ahmedabad (Group 32). Considering the schedule for energising of group 32, cable requirements of this group were met by imports through global tender invited in 1970. It was then expected that requirements of the remaining two groups (30 & 31) of Virar-Ahmedabad railway electrification and the subsequent Railway Electrification Projects would be met by M/S Hindustan Cables Ltd. During the course of subsequent discussions with M/S Hindustan Cables Ltd. from time to time, it came to light that they would be able to meet only a part of the requirements of group 30 & 31. An order for 154 Kms. cables was, therefore, placed on them in 1970 as the balance requirements of groups 30 & 31 had necessarily to be imported. This was done by a global tender invited in early 1971. It will be seen that the entire quantity was not imported in the first instance in 1970 as the intention was to procure cables indigenously to the maximum extent. Necessary action for import of the balance quantity was taken in 1971, as soon as it became clear that M/S Hindustan Cables Ltd. would not be able to meet the requirements.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 81, Para No. 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.

Reply of Government

Detailed planning for implementation of the electrification projects, is invariably being carried out immediately once they are approved and sanctioned by the Ministry of Railways for execution. Inspite of the Planning it may not however always be possible to prevent delays in completion due to unforeseen factors.

Bhestan-Virar and Panskura-Haldia sections have been energised in December, 1974 and July, 1975 respectively.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 83, Para No. 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.

Reply of Government

Necessary corrective action to be taken in respect of the areas and constraints coming in the way of increased production of locomotives from CLW and DLW has been taken. Action was taken at the highest level in the two Production Units for obtaining the necessary electricity from the State Electricity Boards. There has been substantial improvement in the labour-management relations. The foreign exchange release has been reviewed from time to time at the highest level in the Railway Ministry and also corrective action was taken by deputing an Officer on Special Duty to expedite supplies from overseas suppliers. Regular periodic meetings with the General Managers of the Production Units and other officers are being held in Railway Ministry under the personal guidance of Member Mechanical to increase the pace of development of indigenous sources of supply. The results of indigenisation achieved so far have been very gratifying. Besides the above, every month meeting is held by Member Mechanical with the Additional Members, Mechanical and Electrical, Director, Railway Stores and other officers to review the production of the three Production Units and necessary corrective action is taken both at the Board's level and in the Production Units.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 84, Para No. 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.

Reply of Government

Diesel Locomotive Works

Diesel Locomotive Works at Varanasi has been making persistent efforts towards indigenisation from its very inception. This is borne out by the fact that with 98% import content per diesel loco in 1963-64, it has come down to 10.4% in 1974-75.

2. A stage has now been reached where only hard core items which require specialised manufacturing technique, sophisticated materials and very high dimensional accuracies and requiring very minute and detailed inspection before being inducted into use are left to be indigenised. At

Annexure 'A' is a list of the major items which are still on the import list for Diesel Locomotives.

3. Besides, the quantities required for these components are relatively small and are not commensurate with the cost of development involved. It will, however, be pertinent to add that firms around Varanasi have been developed to take up the manufacture of a number of items under the guidance of D.L.W's Diesel & Production Engineering Wings. The response has been fairly satisfactory, as is evident from the fact that D.L.W. is procuring ancillary items including spare parts and components and sub-assemblies worth over Rs. 30 lakhs a year from small-scale units located around Varanasi despite the constraints mentioned above.

4. A team of experts from the Directorate of Industries, Varanasi, Small Industries Service Institute, Kanpur and D.L.W. made a comprehensive study with a view to explore the possibility of developing more ancillary industries for D.L.W. and they have come to the conclusion that requirements of D.L.W. are of a very special nature and the quantum is not sufficient. Even at its full rated capacity of 150 locos per year, the demand of the items from the parent unit will not increase appreciably to warrant setting up of individual units entirely dependent on the parent unit.

5. This expert Committee is of the opinion that every effort should be made to motivate the existing small scale industries already located in the industrial estate at Varanasi and the State of U.P. as a whole to take up the development and manufacture of these items for meeting the requirements of D.L.W. and asking D.L.W. *inter-alia* to give all possible and whole-hearted assistance to the identified industries.

6. D.L.W. in fact has already been surveying and giving technological guidance to such entrepreneurs, who show interest in the development of the components till a proto-type is successfully developed.

7. Since strict adherence to the material specification and accuracy in precision of the components is absolutely necessary, prospective entrepreneurs who take up these items for ancillary production have to ensure the required quality of their products. Nevertheless, DLW has been advised to afford necessary facilities and encourage the ancillary units.

Chittaranjan Locomotive Works

8. CLW had recently formed a committee consisting of three Heads of Departments with a view to study and analyse the suitability for, and desirability of, developing ancillary industries around Chittaranjan to feed this Unit with spare components to be manufactured by them on a developmental basis. The committee came to the opinion that only the items of simple nature, (to the extent of 193 in number) can be off-loaded on the ancillary industries.

9. Being a protected area and having no industrial cluster nearby, Chittaranjan by itself may not be able to sustain any sizeable development of ancillaries. Instead, it has been suggested that the same may be located in Asansol/Durgapur Areas so that these ancillaries may get ample scope

to cater for the requirement of Chittaranjan along with those of others without facing any handicap of limited and fluctuating requirements.

10. Due to a severe production cut during 1976-77 mainly because of constraint in availability of funds CLW's production is well below the installed capacity. As a result it is facing considerable difficulty in maintaining the cost of production at an acceptable level. This has compelled CLW to "on Load" on itself various items which were being procured from outside sources so that the high overhead cost may be distributed widely and the unit price can be pegged down to acceptable levels.

11. Viewed in the above circumstances, CLW by itself may not be in a position to develop any ancillary industry in Chittaranjan at the present juncture. There is a very large industrial complex in and around Calcutta which is not far away from CLW and is meeting CLW requirements to a large extent.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

ANNEXURE 'A'

List of the major items on the import list for Diesel Locos.

1. Turbine Disc & Buckets
2. Nozzle Ring
3. Pistons
4. Piston Rings
5. Trimental Bearings
6. Air & Exhaust Valve
7. Exhaust Manifolds
8. Nozzle Cooling Sleeve
9. Lube oil After Cooler (MG)
10. Governors
11. Ball & Roller Bearings of Types
12. Bevel & Pinion Gears
13. Crankshafts

Recommendation (S. No. 85, Para No. 5.48)

The Committee observe that the Railways target of procurement of 101,532 wagons (in terms of four wheelers) in the Fourth Plan both on additional and replacement account was lowered to 68776 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.

Reply of Government

Observations of the Committee are noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 89, Para No. 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.

Reply of Government

As has been correctly noted by the Committee, the shortfall in production of BG coaches in ICF has been only marginal, and now the only constraint in production of more coaches is the limitation of funds.

As far as manufacture of narrow gauge coaches is concerned, orders for 200 Nos. were placed on Railway Workshops in October, 1971. The shortfall in outturn of narrow gauge coaches has been mainly due to difficult financial position and limited capacity in the Railway Workshops.

It may also be pointed out that Railway Workshops are mainly meant to cater for periodical overhaul and maintenance of rolling stock. Only residual capacity as and when available is utilised for construction of coaches. Of this residual capacity also, priority is generally given for manufacture of BG/MG coaches.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 91, Para No. 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 intensity research on improvement of the pay-load 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.

Reply of Government

The Ministry of Railways note the recommendation of the Committee for giving priority to construction of II class coaches. Maximum construction capacity is booked towards the manufacture of coaches for II class. In the year 1975-76, 659 II class coaches (including EMUs) are expected to be turned out against the total of 864 coaches by ICF, BEML & Jessops.

The Ministry is aware of the need to improve the payload of passenger coaches. The Research Wing of the Railways have developed designs for

day coaches with a carrying capacity of 90 as against 80. Such coaches have already started running. A prototype of double decker coach with a carrying capacity of 146 passengers is also under manufacture but a decision to introduce such coaches on large-scale will, however, be taken after the requisite trials/passenger reaction is assessed. While the above steps have been taken, an increase in the pay-load would lead to difficulties elsewhere. For example, the area per passenger would decrease and the number of passengers per lavatory would increase regarding which there have been some comments.

The Ministry notes the recommendation regarding more amenities. As is known, an Amenity Committee is functioning which reviews the existing facilities in the coaches and makes suggestions from time to time. Just by way of example, it is mentioned that ICF/BEML type of coaches with better seating arrangement, larger lavatories and improved interior decor with laminated plastic sheets have been introduced which have certainly improved the condition of II class coaches. These coaches have windows with better sealing arrangement to prevent ingress of dust and rains. Better type of lavatory pans and wash hand basins have also been provided. More and more sleeper coaches are being provided for making the journey on long-distance trains comfortable.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 94, Para No. 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.

Reply of Government

The recommendation has been noted.

The supply of electrical equipment from BHEL/Bhopal is being reviewed regularly in meetings held with the representatives of BHEL/Bhopal and Railway Board. The supplies are also followed up by C.L.W. and D.L.W. regularly with BHEL/Bhopal and Hardwar.

Necessary corrective action in respect of the areas and constraints coming in the way of production of locomotives from C.L.W. and D.L.W. is taken regularly. Monthly meetings are held by Member Mechanical with the Additional Member Mechanical and Electrical, Director Railway Stores and other officers to review the production of C.L.W. and D.L.W. and necessary corrective action is taken both at the Board's level and in the Production Units (C.L.W. & D.L.W.). Now the constraint in production of desired number of locomotives is the limitation placed by the funds availability.

In view of the oil crisis, it was decided not to manufacture N.G. diesel low horse power locos. The position has since been reviewed and it has been decided to manufacture standard ZDM3/ZDM4 type/700 hp diesel locomotives instead due to the limited hauling capacity of "low horse power" NG diesel loco (ZDM 5) to replace the overaged NG steam locomotives. The production of 20 ZDM-3/ZDM-4 diesel locomotives against 1971-72 RSP has already been taken-up. Eight of these locomotives have since been completed and the remaining 12 are programmed to be manufactured in 1976-77.

Provision also exists for 10 more NG diesel locomotives against 1973-74 RSP. The manufacture of these locomotives will be taken up after the completion of the above order.

A provision of another 10 diesel locomotives has been made in 1976-77 RSP, in addition to 30 diesel provided earlier, as stated above.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 95, Para No. 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.

Reply of Government

As a result of oil crisis, the question of manufacture of Narrow Gauge Steam locomotives was examined and it was decided not to go in for further steam locomotives but to continue manufacturing diesel locos.

We are now considering a proposal to replace all the existing overaged steam locomotives in a phased manner spread over three plan periods viz. V, VI and VII Five Year Plans. During each plan 40 diesels are proposed to be manufactured and these will replace 80 steam locomotives. The actual manufacture will be dependent on our resources allotted for rolling stock manufacture.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 100, Para No. 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.

Reply of Government

Further to the factual information already given to the Committee, it is pointed out that there has been a steady improvement in the POH out-turn

of BG steam locomotives from the Workshops as indicated in the table below :—

	Average monthly out-turn	
	B.G. steam locos	M.G. steam locos
1973-74	88.42	58.42
1974-75	88.75	55.00
April 1975 to Jan. 1976	100.40	54.30

In the case of MG steam locomotives, there has been a slight drop in the POH out-turn but this has been due to reduction in the capacity consequent to conversion of Golden Rock Shops for taking diesel POH. However, there has been increase in the IOH and SR out-turn of MG steam locomotives from Shops as shown below :—

	Average monthly out-turn	
	IOH & SR	
1973-74	53.33	
1974-75	51.92	
April 1975 to January 1976	60.1	

With the progressive ageing of the locomotives, the repairs to boilers and heavy structural members have increased. There has also been increase in quantum of repairs arising out of corrosion to tender tanks. As a result of the above, it has not been possible to drastically bring down the overdue POH position by increasing the out-turn from Shops.

	Percentage overdue POH		
	B.G.		M.G.
31-3-1974	2.29		0.32
31-3-1975	3.29		0.13
31-12-1975	2.83		1.20
31-1-1976	3.03		1.34

However, with the improved trend of out-turn from the Workshops and the constant drive to sustain higher output, it is expected that the overdue POH of steam locomotives will be maintained well under control.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Further information called for by the Committee

- Please state if the Ministry of Railways have made any analysis as to what should be the optimum POH outturn of steam locomotives and which are the workshops that have failed to reach the optimum level, the reasons therefor and the remedial measures taken.
- Please state whether the shortfall in POH outturn of steam locomotives has adversely affected Railway operations and if so, to what extent.
- Please indicate the steps taken to improve the maintenance of steam locomotives and the results achieved.

Reply of Government

(a) Targets have been laid down for POH outturn of steam locomotives for individual Railway Workshops taking into account the arisings on the basis of holding of steam locos on each system and the physical shop capacity. During 1975-76 the targetted outturn was achieved in all Railway Workshops.

(b) The overdue POH position of steam locos as on 31-7-1976 is given below :

B.G.	2.33%
M.G.	1.01%

The extent of overdues is marginal and is considered satisfactory. This marginal overdue POH position has not adversely affected Railway operation in any manner.

(c) Following steps have been taken to improve maintenance of steam locomotives :

- (i) Greater emphasis is being laid on quality of workmanship in shops and sheds.
- (ii) Major sub-assembly pools have been built up on all Railways. Substantial assistance in this regard has been arranged from CLW.
- (iii) Programmed rehabilitation of locomotives, tender tanks and underframes is being undertaken.
- (iv) Locomotives requiring reframing or refire-boxing are being given such attention during POH.
- (v) Monitoring of engine crews by inspectors has been intensified with a view to improving their enginemanship and reducing wear and tear due to rough handling.

These steps have yielded good results by way of reducing the ineffective percentage and incidence of engine failures as would be seen from the table placed below :

Target	.	.	.	.	.	Effective %age		Engine kms. per engine failure (in thousands)	
						B.G.	M.G.	M.G.	M.G.
1974-75	.	.	.	.	.	15.61	14.30	59	54
1975-76	.	.	.	.	.	14.30	15.53	75	60
April 1976	.	.	.	.	.	14.14	14.94	112	95
May 1976	.	.	.	.	.	14.13	14.44	101	96
June 1976	.	.	.	.	.	13.85	14.24	96	98
July 1976	.	.	.	.	.	13.46	14.37	119	105

Recommendation (S. No. 101, Para No. 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.

Reply of Government

The above position pertains to overdue POH diesel locos as on 31-3-1974 and not ineffective percentage as has been mentioned in the observations of the Committee.

Further to the factual position already given in reply to the questionnaire, it is to be pointed out that for POH of Broad Gauge diesel locomotives in addition to the present set ups at Kharagpur on S.E. Railway and Golden Rock on Southern Railway, there are two on-going projects at Charbagh Shops of Northern Railway and Parel Loco Shops of Central Railway. The above projects are expected to be functional by March, 1977. The capacities being developed in Charbagh and Parel Workshops will enable overhaul of 2 and 4.4 diesel locomotives per month respectively. With the build up of these planned capacities, the position of overdue POH of diesel locos will further improve.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 102, Para No. 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.

Reply of Government

The problem of corrosion is universal and its extent depends on environmental conditions and the availability of corrosion resistant material for coach manufacture. In foreign countries superior corrosion resistant materials like stainless steel, aluminium alloy, corrosion resistant steel like 'CORTEN' are easily available and extensively used for coach manufacture as against copper-bearing mild steel sections used in India. For protective treatment, highly durable paints such as polyurethane paints etc. and flooring composition based on synthetic latices are freely available and used for coaches in foreign countries. Water, which is major source of corrosion, is used in the lavatories and bath rooms in much less quantities in the foreign countries as compared to India.

2. Research and investigations for elimination of corrosion on all-steel bodied integral coaches, is receiving continuous attention of the Railways.

Regular corrosion Preventive Committees have been instituted and the procedures of corrosion repairs, remedial measures, painting procedures etc. at regular intervals are reviewed and updated wherever necessary in the light of the experience gained. As a result of the investigations, research and studies conducted by RDSO/ICF, detailed instructions for corrosion repairs, preventive maintenance, design modifications etc. are issued from time to time, the first being issued in 1967. Improvements in protection of steel against corrosion have been adopted over the course of years and a number of compositions have been developed for this purpose.

3. Design changes to prevent ingress of water through the windows and replacement of through floors under the lavatories, which are prone to excessive corrosion, by tubular structure, have been incorporated. The layout of the coach shell has been modified wherein the lavatories in the middle of the coach, which were particularly susceptible to heavy corrosion, have been shifted to the end portion. A prototype of an entirely new underframe is under manufacture at ICF, in which some of the parts which were susceptible to heavy corrosion have been eliminated and replaced by those less prone to corrosion. In this prototype underframe, each of the portions which can be affected by corrosion have been made to be fully exposed to enable easy inspection and detection of corrosion effect. In order to further improve the service performance of steel, coaches from the point of view of corrosion, better corrosion resistant steel than those currently in use have been considered and the use of 'CORTEN' type steel for coach construction in lieu of the existing copper bearing mild steel has been accepted, based on the recommendations made by the RDSO after detailed studies. 'CORTEN' type of steel is not available indigenously and the same will have to be imported till such time facilities are developed in the country for its manufacture. Since August, 1975, 600 tonnes of CORTEN plates and 4400 tonnes of CORTEN sheets have been imported for ICF coaches. Presently import of 1560 tonnes of CORTEN sheets to cover ICF's needs upto 31-3-1977 is under process. Similar use of CORTEN steel on BEML coaches has been taken in hand by BEML. As soon as BEML is able to finalise its arrangements, import of CORTEN steel for their requirements will also be made. Therefore, to the extent imports are to be resorted to, the 'CORTEN' type of steel shall be procured. Owing to the superior corrosion resistant properties of this 'corten' type of steel, it is expected that the coach made of this type of steel would give much better service performance from the point of view of corrosion. Action has already been initiated to import requisite quantities of this type of steel for use in all vulnerable locations and as detailed above.

4. A periodic inspection of all the steel bodied coaches is conducted and coaches requiring workshop attention are withdrawn from service and taken for workshop repairs. It has been the experience of the Railways as also of the RDSO that coaches which have completed seven years service require corrosion repairs. Based on this, the Railways have assessed their monthly arisings and have already taken steps to develop adequate capacity to undertake this work. In addition, coaches are examined at the time of periodical overhaul in Shops and necessary action taken to attend to any incipient corrosion apart from changes in design. Assistance has also been arranged for Railways who have not been able to tackle all their arisings at the Integral Coach Factory. The performance of the Workshops in respect of corrosion repairs is reviewed periodically by senior officials of the Railways and the Railway Board and also checked during the inspection of the

Workshops. All this is expected to change radically with the deployment of CORTEN plates, sheets and as also the design changes being incorporated on ICF coaches.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 103, Para No. 5.108)

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 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 re-organise 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.

Reply of Government

Further to the factual information already submitted to the Committee in reply to the questionnaire, it is to be pointed out that with the increase in the wagon out-turn from the Workshops it has been possible to control the overdue POH position. The increase in average monthly out-turn from the Workshops as tabulated below indicates an improvement of 36.42% and 26.78% for BG & MG respectively.

	Wagons	
	B.G.	M.G.
1973-74	5733	0 16
1974-75	6178	09
April 1975 to Jan. 1976	7821	2556

The increased level of out-turn from the Workshops and also the progressive build up of additional capacity for repairs to BG wagons as per sanctioned expansion schemes as indicated below would enable the Railways to further reduce the overdue POH percentage.

Jhansi	7,000 four wheeler units per annum.
Jagadhrī	3,500 Do.
Kota	3,000 Do.
Vijayawada	14,000 Do.

The overdue POH position of goods stock at the end of March, 1974, March 1975 and January 1976 tabulated below clearly shows the improvement in the trend.

	B.G.	M.G.	N.G.
March 1974	25.27	12.94	8.51
March 1975	23.60	15.46	10.35
December 1975	18.82	15.06	7.36
January 1976	18.26	14.53	7.59

It will be seen from the above table that the position in January 1976 has considerably improved over the position obtaining in March 1975. Deterioration in the position at the end of March 1975 when compared to March 1974 in the case of MG was due to loss in out-turn consequent to strike in May 1974.

Thus, it will be appreciated that with the increased level of out-turn from the Workshops and with the gradual completion of the projects mentioned above, the position on the Railways will considerably improve.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Further information called for by the Committee

Please confirm if the recommendation that Parliament should be informed of the progress made in re-organising and rationalising the repair facilities through the annual Reports of the Railway Board/Zonal Railways, has been accepted.

Reply of Government

This recommendation has been accepted. The Indian Railways Annual Report now incorporates a chapter on 'Production and Repair of Rolling Stock' covering the reorganisation and rationalisation of repair facilities in Railway Workshops.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227/ Vol.II dated 23-11-1976].

Recommendation (S. No. 104, Para No. 6.9)

The Committee observe that the Working Group on Freight Traffic had projected 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.

Reply of Government

The draft Fifth Five Year Plan document envisaged that by 1978-79 the originating traffic to be handled by the Railways would increase to 300 million tonnes, but the provision for rolling stock was made to cater to only 280 million tonnes of traffic. To cater to the above level of traffic, the Fifth Plan envisaged a total outlay of Rs. 2350 crores on the development programme of Railways apart from Rs. 200 crores for the MTP schemes. However, in the wake of the energy crisis, the price situation and the constraint of resources, it is estimated that the outlay of Rs. 2350 crores will enable Railways to carry only about 250 million tonnes of freight traffic. Keeping in view the overall situation and the constraint of resources, the entire Fifth Five Year Plan is under re-assessment by the Planning Commission and the final picture is yet to emerge.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Further information called for by the Committee

Please state the latest position regarding finalisation of the Fifth Five Year Plan of the Railways.

Reply of Government

The Fifth Five Year Plan of the Railways has been recently approved by the National Development Council. The Final version of the Plan lays down that by 1978-79 the Railways would be equipped to carry an estimated originating freight traffic of 250 to 260 million tonnes, for which a total outlay of Rs. 220 crores, including provision of Rs. 50.2 crores for M.T.P., has been provided for in the Plan.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227/
Vol. II dated 23-11-1976].

Recommendation (S. No. 105, Para No. 6.10)

The Committee note that the Railways expect an annual growth of 13-15 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.

Reply of Government

Observations of the Committee are noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227
dated 22-9-1976].

Recommendation (S. No. 108, Para No. 6.13)

The Committee, however, learn that the 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.

Reply of Government

The observations made by the Committee are noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227
dated 22-9-1976].

Recommendation (S. No. 109, Para No. 6.14)

The Committee note that a re-appraisal 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.

Reply of Government

The observations made by the Committee are being brought to the notice of the Planning Commission. It may, however, be added that the Railways keep the actual materialisation of traffic under continuous watch and the position is reviewed in detail internally while finalising the Annual Work Programme and with the Planning Commission while finalising the Annual Plans.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 114, Para No. 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.

Reply of Government

The observations are noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 116, Para No. 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 coal-fields, 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 coal-fields 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."

Reply of Government

Coal movement is being organised within the ambit of a careful planned system evolved after years of experience. Movement to Steel Plants/ Washeries is already linked with the nearest coalfields producing coking

coal. Movement to Power Houses and cement industry is also linked on the same principle and is being reviewed by the Standing Linkages Committee. Movement of loco coal is also linked to the nearest coal fields. These linkages account for approximately 75 per cent of the total movement of coal. Even for the remaining 25 per cent, it may be clarified that this is subject to the Rationalisation Scheme which has been formulated on the basic principle of consumers taking their requirements of coal from the nearest coal fields eliminating any cross movement from different fields. It would, therefore, be seen that the principle being formulated is already being applied. These patterns are subject to reviews from time to time and such changes as are considered necessary are made.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. Nos. 117-118, Para Nos. 6.54 and 6.55)

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 the matter are under examination in consultation with the Ministry of Steel & Mines, the Central Water & Power Commission and other important users.

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.

Reply of Government

As regards delay in the linkage of washed coal to steel plants, the matter is being brought to the attention of Department of Coal. It may, however, be incidentally mentioned that supplies to steel plants during the Fifth and Sixth Plans have been recently reviewed by a Committee headed by the Secretary, Department of Coal.

As regards the recommendations of the Coal Transport Study Teams, the comments of the concerned Ministries and other concerned organisations have been already received and examined. The implementation of the recommendations of the Study Team is being done in a phased manner in consultation with the concerned agencies keeping in view the actual growth of traffic and the constraint of resources.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 119, Para No. 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.

Reply of Government

As already advised *vide* this Ministry's Office Memorandum No. 74-B (RCC)-4229/III dated 31-5-1975 addressed to Lok Sabha Secretariat, the recommendations of the Indian Statistical Institute Study Team were carefully examined and were found to be impracticable, being based on theoretical consideration of the movement of loaded stock and empties divorced from the realities of the situation. The Railway Board have not accepted these recommendations.

2. However, two Study Teams were appointed by the Railway Board to go into the question of Coal Transport Planning, one for Bengal-Bihar sphere and the other for outlying fields. These Study Teams have made a number of recommendations which *inter alia* include development of line capacity works on various sections and terminal facilities in yards, improved rake facilities in colliery sidings, including mechanical loading facilities etc. with a view to achieve better utilisation of Rolling Stock. These recommendations have been accepted in principle by the Railways and the coal producing agencies. A number of works based on the recommendations of these Study Teams are also in various stages of progress.

3. It may be pointed out that in the recent months after August '75, the Railways have been able to achieve a consistently high level of loading culminating in a record average daily loading of more than 10,100 coal wagons from all the fields and about 7,000 wagons from Bengal-Bihar during February '76 and this is a pointer to the substantial improvement that has taken place in the matter of wagon utilisation.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. Nos. 121 and 122, Para Nos. 6.65 and 6.66)

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 18.3 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-Jakhpura 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.

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 materialisation 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 underestimate) needs to be gone into in detail and thoroughly before the Railways start work on these projects.

Reply of Government

It may, however, be clarified that all the projects to which the Committee has referred, have not been justified exclusively on account of export of iron ore. For example, the rail link to Haldia will cater to not only the iron ore traffic but also all the other traffic e.g. coal moving via Haldia Port. The project is proposed to be taken up to fit in with the development of the iron ore deposits in the area, and in addition the line will also help in development of a backward area.

2. Even where specific works have been sanctioned for only export of iron ore, close coordination is being maintained with the concerned Ministries and the actual progress of works appropriately regulated. For instance, the doubling in two phases of various patches between Renigunata and Guntakal has been sanctioned to fit in with the target of export of 5 m.t. per annum of iron ore through Madras port at the instance of various agencies connected with the export of iron ore and on the recommendation of the Committee of Secretaries on Iron Ore export. The first phase of this project consisting of doubling between Bhakarapeta and Cuddapah, Renigunata and Balapalle and Gooty and Guntakal, along with certain other line capacity works, is expected to be completed within the current financial year. However, a watch is being kept on the second phase of this project consisting of doubling between Gooty and Rayallacheruvu, and Kondapuram and Muddanuru sections to synchronize it with the actual materialization of traffic and the opening of the Madras Outer Harbour Project.

It may also be stated that keeping in view the projections of iron ore export from Bailladilla the crossing stations on the K.K. line have been already opened to traffic. The work on Tornagullu-Mudukulapenta New Line is almost complete and the line is expected to be opened to traffic in June, 1976. The work on the rail facilities at Bacheli to serve Iron Ore Deposit No. 5 is also in progress.

It may, however, be again stressed that the sanctioning, regulating the progress of constructions and the actual commissioning of the works required for iron ore export is closely coordinated with the concerned agencies responsible for it.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 124, Para No. 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.

Reply of Government

The observations of the Committee are noted. Relevant extracts of the Committee observations have also been sent to the Ministry of Industrial Development under whose aegis the Cement Corporation of India functions.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Further information called for by the Committee

Please indicate the precise action taken by the Railways to streamline their field organisations so as to ensure easy and timely availability of wagons particularly covered wagons to the cement industry and the results achieved.

Reply of Government

Cement being guaranteed traffic, special watch is maintained on the movement of this commodity at all levels. The steps taken, briefly, are as under :—

- (i) Daily wagon quota has been laid down for each cement factory in consultation with the Cement Controller.
- (ii) Allotment and supply of wagons is arranged in such a way that full trainloads are run from the cement plants to fixed destinations so that turnaround of wagons can be improved.
- (iii) A daily watch is kept on the supply and loading and any shortfalls are made up subsequently.
- (iv) Monthly meetings are held by the zonal railways with representatives of cement factories to discuss and sort out problems if any regarding cement movement.
- (v) All efforts are made to supply wagons which are watertight so that they are not rejected at the time of loading. To achieve this objective, Carriage & Wagon staff organisation has been strengthened and staff are posted at factory sidings to rectify defective wagons and maximise availability of watertight wagons.

2. As a result of the above steps, the demand for wagons from cement plants are being fully met. This is evident from the extracts of the Report on Cement Production and Despatches, 1975, issued by the Office of the Cement Controller :—

“The year 1975 has been a year of improved efficiency alround. The problem of wagon shortages and less coal availability which has

afflicted the cement industry in the past few years has practically vanished."

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"The position of wagon supply improved considerably during the second half of the year. No shortfall in production was reported by the cement industry due to short supply of wagons after June, 1975."

3. Covered wagons are also preferably being supplied for cement loading. During 1974-75, 82.1 per cent of the tonnage moved on the Broad Gauge was in covered wagons. In 1975-76 this rose to 91.6 per cent. In the current year, during April-August, 1976, the entire movement of cement has been in covered wagons.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227
Vol. II dated 23-11-1976].

Recommendation (S. No. 136, Para No. 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% 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% and 5% per annum respectively.

Reply of Government

Observations made by the Committee are noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227
dated 22-9-1976].

Recommendation (S. No. 127, Para No. 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.

Reply of Government

Observations made by the Committee are noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227
dated 22-9-1976].

Recommendation (S. No. 128, Para No. 6.87)

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 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.

Reply of Government

Observations made by the Committee are noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976].

Further information called for by the Committee

Please state precisely the action taken by the Ministry of Railways to meet the requirements of long and medium distance passenger traffic during each year of the Fifth Plan and the results achieved.

Reply of Government

Introduction/extension of trains

Consistent with the availability of requisite resources by way of coaches, locomotives line capacity and terminal facilities, steps are continuously taken to introduce additional trains and to extend the runs of existing trains to meet the pressure of traffic on different routes. The number of new trains introduced and the number of existing trains extended during each year of the Fifth Plan are indicated below :—

NUMBER OF NON-SUBURBAN TRAINS

Year	Introduced	Extended	Total
1974-75	6	17	23
1975-76	56	44	100
1976-77 (upto October 1976)	66	44	110

It will be seen from the above that a very large number of trains have been introduced/extended during 1975-76 and 1976-77 as compared to 1974-75. Some of the new trains introduced are the Krishna Express between Secunderabad and Guntur, New Delhi-Varanasi Express, Howrah-Ahmedabad Express, Tatanagar-Amritsar Express, Bilaspur-Bhopal Chhattisgarh Express, Bombay-Manmad Panchavati Express, Bombay-Ernakulam/Mangalore Jayanti Janata Express, Ahmedabad-Varanasi/Faizabad Express, Howrah-New Bongaigaon Janata Express, Allahabad-Meerut City Sangam Express, Howrah-Puri Jagannath Express, Dhanbad-Muzaffarpur Maurya Express, New Delhi-Madras Tamil Nadu Express, New Delhi-Secunderabad Andhra Pradesh Express, Belampalli-Bhadra-chelam Road Singareni Express, Howrah-Asansol Express, Howrah-Tatanagar Ispat Express, Renigunta-Secunderabad/Bangalore Venkatadri Express, Gorakhpur-Lucknow Shan-E-Avadh Express, Gorakhpur-Allahabad City Purvanchal Express, Manmad-Nizamabad Ellora Express, Murkongselek-New Bongaigaon Arunachal Express, Silchar-Gauhati Barak Valley Express and Gondia-Jabalpur Satpura Express.

Increase in frequency

New Delhi-Tinsukia Mail, the frequency of which was increased from 3 to 5 days in the week from 1-11-75 has been made a daily service from

26-1-1976. The frequency of Bombay-Lucknow Janata Express was increased from 2 to 3 days in the week from 1-11-75 and this train is running daily as an Express train from 1-10-76. The frequency of the following trains have also been increased during the Fifth Plan period :—

- (i) Bombay-Ernakulam/Mangalore Jayanti Janata Express from weekly to biweekly.
- (ii) Gorakhpur-Lucknow Shan-E-Avadh Express from 3 to 6 days in the week.
- (iii) Gorakhpur-Varanasi/Allahabad City Purvanchal Express from 3 days to daily.
- (iv) Nizamuddin-Puri Utkal Express from biweekly to triweekly.

Dieselisation

In order to meet the growth of passenger traffic on important routes, steps have also been taken to augment the loads by dieselisation/electrification selectively after first fulfilling the needs of freight traffic. Such Mail/Express trains which are very popular and for which there is heavy demand are running on diesel/electric traction and are hauling longer loads. So far, a total of 81 pairs of long distance trains have been placed on diesel traction thereby augmenting their loads on an average by 3 coaches. Of these, 28 pairs of trains have been placed on diesel traction in the Fifth Plan period so far.

Day-Type coaches

Day type second class coaches with a carrying capacity of 90 passengers as against 80 passengers in the conventional coach have been provided on trains like 301/302 Deccan Queen, 27/28 Flying Mail and 39/40 Brindavan Express in order to provide more accommodation for passengers travelling by these inter-city trains.

A.C. two-tier sleepers

Another innovation made is the new A.C. two-tier coach manufactured by I.C.F. These coaches provide 48 air-conditioned sleeper berths at I class fare and a few such coaches have been introduced since May, 1975 on A.C. Expresses and Tamilnadu Express. It is also proposed to manufacture about 53 such additional coaches with self-generating equipment to be provided on various trunk route trains. These coaches also provide more accommodation per coach.

Double-decker coach

1. Prototype of a double decker II class coach with a seating capacity of about 134 passengers has been manufactured and it is proposed to be tried on Bombay-Pune section.

2. The available terminal facilities at the major cities like Bombay VT, Bombay Central, Howrah, Sealdah, Madras etc. are fully and extensively utilised leaving little or no scope for handling additional trains. These stations are situated in thickly populated areas with either no scope for expansion or expansion at prohibitive cost. The railways have, therefore,

resorted to opening of satellite terminals like Dadar (Central Railway), Hazrat Nizamuddin, Royapuram (Madras area) etc.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227/ Vol. II dated 23-11-76].

Recommendation (S. No. 129, Para No. 6.88)

So far as suburban traffic is concerned, the Committee consider that the anticipation of five 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 could be possible for the Railways to augment the suburban services to the maximum extent necessary.

Reply of Government

Observations of the Committee are noted. It may, however, be stated that the projections of the suburban traffic are based upon a detailed study undertaken 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 ten year period covering the sixties. Augmentation of suburban services to the extent feasible within the constraint of resources is already being done. Metropolitan rail projects, which will to some extent share the commuter load on suburban services as in the case of Bombay are also being considered.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 131, Para No. 6.132)

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).

Reply of Government

It may be clarified that the methodology adopted by the Railways for assessing the rolling stock requirements does not involve separate calculation of requirement only for the incremental traffic. The requirements are calculated for the overall traffic taking into account the anticipated increase in freight and passenger traffic during the Plan period and after adjusting the rolling stock already available.

2. As far as the Railways Fifth Plan is concerned, for a freight traffic level of 280 million tonnes, 20 per cent increase in non-suburban passenger

traffic and 25 per cent increase in suburban passenger traffic, the Railways had estimated a requirement of 1346 locomotives, 1,08,982 wagons, 6509 coaches, 1104 EMUs and 70 rail cars—including replacement requirements. However in the draft Fifth Five Year Plan document the Planning Commission have provided for only 1300 locomotives, 1,00,000 wagons, 6500 coaches, 1050 EMUs and 50 rail cars—including replacement requirements. In either case the requirement relates to the overall levels of traffic anticipated at the end of the Fifth Plan and not only to incremental traffic, as appears to have been understood by the Committee.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 132, Para No. 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.

Reply of Government

Observations of the Committee, which are in accordance with the extent policy of the Government, are noted. The utilisation of the rolling stock on different Zonal Railways is kept under close watch and the matter is reviewed in detail from time to time. The targets for engine and wagon utilisation for each zonal Railway are already being fixed and the performance of the Zonal Railways is reviewed from time to time with reference to these targets.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 133, Para No. 6.104)

The Committee note that there is a difference of opinion between the Railways and the Planning Commission regarding 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.

Reply of Government

The observations of the Committee are noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 134, Para No. 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 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.

Reply of Government

In view of the constraints of funds for manufacture of new rolling stock viz., locomotives, coaches and wagons, plans for either new units or expansions are now not being processed which include a new coach building unit, steel casting plant and traction gear plant. As regards the Wheel and Axle Plant, the project is under review by the Planning Commission and allocation of funds will be made only after the clearance has been obtained from them.

As regards increasing the capacity at DLW for manufacture of increased number of power packs, it is pointed that for manufacture of Generating Sets at the behest of Ministry of Industries initially a feasibility cum market research report is proposed to be undertaken. On the results thereof action as needed regarding further expansion if needed would be suitably processed.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 135, Para No. 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 & 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 yet been worked out.

Reply of Government

The observation of the Committee is noted. It may, however, be clarified that Railways have tentatively identified line capacity projects which may have to be taken up in the V Plan, taking into account traffic projections for different sectors of the economy as furnished at the time of the formulation

of the V Plan. The list of such works has been already furnished to the Committee. The implementation of these works would depend upon the actual growth of traffic and the availability of funds.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976]

Recommendation (S. No. 136, Para No. 6.117)

The Committee observe that the busy arterial routes which form only 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.

Reply of Government

The observations made by the Committee are noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. Nos. 141, 142 & 144, Para Nos. 6.133, 6.134 and 6.136)

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.

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 conversion schemes is, therefore, about Rs. 187 crores of which nearly Rs. 20 crores were spent in the Fourth Plan period.

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.

Reply of Government

The observations have been noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 143, Para No. 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-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.

Reply of Government

So far as conversion of Manmad-Purli-Vaijnath MG section into BG is concerned, the project was taken up as a drought relief work. Engineering and traffic surveys carried out during 1973 have revealed that the project is expected to give a return of 2.68% by D.C.F. method.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. Nos. 151—153, Para Nos. 7.34—7.36)

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.

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 that 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.

The Committee would like to be informed of the measures taken and results achieved in this direction at an early date.

Reply of Government

The observations of the Committee on the need for reducing the turn-round of wagons and laying down targets for improvement are noted.

The various steps taken by the Railways to improve the turn-round of wagons and the improvement brought about in 1974-75 and the first 10 months of the current year have been indicated in reply to recommendation No. 156 of the Committee's Report.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 154, Para No. 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.

Reply of Government

Concerted efforts have already been made and the functioning of the repairing workshops as well as repair depots has been considerably toned up. This is amply borne out by the fact that the number of wagons given heavy repairs has increased from about 6000 per month prior to August 1974 to 8600 in December, 1975. Similarly, the number of wagons turned out after periodical overhaul has increased from 5600 per month (1973-74) to 8700 during December, 1975.

The ineffective percentage including the wagons and repair depots and workshops has been as under :

	Average ineffective %age
1969-70	4.41
1970-71	5.11
1971-72	5.32
1972-73	4.13
1973-74	4.36
1974-75	4.47
December, 1975	4.17

A massive drive was launched for panel patching the B.G. wagons which had been damaged by miscreants cutting the panels for pilferage, during hump shunting and corrosion of plates etc. Nearly 23,000 wagons thus damaged are being attended every month.

When larger number of wagons are taken for heavy repairs, panel patching and overhaul in the workshops, the daily ineffective percentage is bound to rise but the increase in this percentage does not reflect adversely the condition of wagons. With higher output from Repair Depots/Workshops the condition of wagons have decidedly improved. It may also be mentioned that the ineffective percentage is very closely watched at all levels in the Zonal Railways as well as in the Board.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 155, Para No. 7.38)

The Committee further suggest that research on improving the payload 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.

Reply of Government

Research on improving the payload of wagons is a continuous process and sizeable success has been achieved in this direction in the recent past. The wagons designed recently have much higher payload as compared to the older types of wagons, e.g. the new type of BG 4-wheeler covered wagon type CRT has a carrying capacity of 27.54 tonnes as against 22.09 tonnes of the conventional CR type wagon. The Broad Gauge bogie open wagon-type BOY, which was specially designed for carrying iron ore on Girandul-Kottavalasa Section has a carrying capacity of 71.63 tonnes (against the carrying capacity of BOX wagon which is 56.28 tonnes) with payload to tare ratio of 3.62 as compared to the older types of bogie open wagons such as BOBS, BOI and BOX wagons which have payload to tare ratio of 3.12, 2.56 and 2.25 respectively. Similarly, the new type of BG bogie tank wagon of which a prototype is under manufacture will have payload to tare ratio of 2.0 as against 1.69 in the case of the existing TORX tank wagon. It may further be mentioned that a new design of BG bogie open BOX wagon having payload to tare ratio of 2.35 as against 2.25 of the existing BOX wagon is on the drawing board.

2. The need for improving payload of wagons by keeping the tare rate as low as possible, is always kept in view. However, there are numerous factors which add to the tare weight of the wagons and have to be taken into consideration. In each new design of wagon, therefore, a compromise has to be struck between the various and often conflicting requirements before the design is finalised.

2.1 A comparison of the payload to tare ratio obtaining in advanced foreign railway systems, would not be realistic as the conditions in this country are quite different from those prevailing in advanced countries. While, on the one hand, these advanced railway systems have access to abundant supplies of high-yield steel, which reduces the tare weight, the marshalling yard operations are also highly sophisticated and automated, which do not require the wagon structure to withstand the heavy impacts that wagons on the Indian Railways are subjected to during hump-shunting operations. The wagon design in the advanced countries can make do with less sturdy and, therefore, less heavy construction than is possible on the Indian Railways.

Committee's suggestion to indicate the efforts and achievements in the annual report of the Ministry have been gratefully noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-422 dated 22-9-1976].

Recommendation (S. No. 156, Para No. 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 utilization of wagons."

Reply of Government

The existing computer set-up with the Ministry of Railways is already being used to keep a watch over the movement of wagons. Apart from other applications, the following aspects concerning operations are dealt with on the computer :—

- (i) Wagon Inter-change statements—point-wise and railway-wise.
- (ii) Determination of wagon holdings and pool balances of zonal Railways.
- (iii) Movement of special type wagons like BFRs., tank wagons etc.
- (iv) Posting of junction movements.

Further, the computer set-up is also being utilised for tracing wagons and connecting unconnected wagons.

2. The objectives of day-to-day operation are being, at present, met with the existing applications and fully serve the operating needs. The question of further augmenting the computer capability and setting-up of a Centralised Data Bank Centre which would require costly sophisticated equipment would be considered at the appropriate time in relation to the availability of finances.

3. As regards turn-round of wagons, some of the steps taken by the Railways to improve the same are given in Annexure 'A'. With progressive implementation of these steps and the return of normalcy on the Railways after the All India Strike by Railwaymen in May, 1974, and the fillip given to railway operations after the declaration of the Emergency in June, 1975, there has been a progressive improvement in the wagon turn-round and the utilisation of wagons, as would be seen from the figures given below :—

Wagon turn-round
(in days)

			B.G.	M.G.
1973-74	.	.	15·0	12·5
1974-75	.	.	14·6	12·0
April, 1975	.	.	13·8	11·5
May, 1975	.	.	14·2	12·6
June, 1975	.	.	14·6	13·1
July, 1975	.	.	14·1	12·7
August, 1975	.	.	13·9	12·0
September, 1975	.	.	13·5	11·9
October 1975	.	.	13·9	12·1
November, 1975	.	.	13·5	11·8
December, 1975	.	.	13·0	11·0
January, 1976	.	.	12·9	10·5

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227
dated 22-9-1976].

ANNEXURE 'A'

Some of the measures progressively being taken by the Railways to bring about better utilisation of wagons are given below :—

- (i) Increased movement of major commodities in bulk in block rakes from originating to terminating stations or break-of-gauge transhipment points, thereby by-passing intermediate yards.
- (ii) Greater emphasis on uniform loading/unloading on all days of the week by major rail users like collieries, power houses, Steel Plants etc.
- (iii) Mechanised loading and unloading arrangement for quicker loading and release of wagons.
- (iv) Planning for coal dumps at focal points and steel stock yards at important centres.
- (v) Mechanisation of principal Railway yards and remodelling of existing yards to enable quicker handling of wagons and increased long distance marshalling to by-pass more intermediate yards.
- (vi) Introduction of more dieselisation/electrification.
- (vii) Progressive doubling of track, conversion of gauge, improvement in signalling to improve line capacity and throughput.
- (viii) Rationalisation of traffic to obviate cross movements.
- (ix) Better liaison with the trade and industry.
- (x) Raising of Demurrage charges to curb the tendency of the Trade to detain wagons beyond free time for loading/unloading.

Recommendation (S. Nos. 157—159, Para Nos. 7.60—7.62)

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% in 1950-51 to 34.7% in 1973-74. According to an appreciation furnished to the Committee by the Ministry of Railways, 75% 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, fertilizers etc. Another 10% 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% of the total originating traffic on the Railways can be said to be subject to competition from road service.

The Committee consider that in the given situation, the increase in the relative share of road transport 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 transport hauliers enjoy viz. faster service and safe delivery at the door of the consignee.

The Committee note that after setting up 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 up to 1971-72 but there was a set back thereafter due mainly to the unsettled conditions on the Railways.

Reply of Government

These are noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 161, Para No. 7.64)

It appears that most of the weaknesses and drawbacks 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.

Reply of Government

The observations of the Committee have been noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 163, Para No. 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.

Reply of Government

Action taken to implement the various recommendations of the Indian Institute of Management has been indicated in the reply to Serial No. 162, Para No. 7.65 of the Committee's Report. The Ministry of Railways also share the optimism expressed by the Committee, as the healthy industrial relations and a greater sense of discipline, prevailing since the proclamation of emergency, have enabled Railways to achieve all-round operational efficiency. Regarding the suggestion that steps taken by Railways to recapture a major portion of high rated traffic lost to road and the results achieved, be mentioned in the Annual Reports, it is pointed out that information is already being furnished in the Annual Reports of the Zonal Railways and the Railway Board about the activities and achievements of the Marketing & Sales Organisation.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

CHAPTER III

RECOMMENDATION WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES

Recommendation (S. No. 36, Para No. 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 short-fall 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.

Reply of Government

The observations pertain to the movement of coal to the following :—

- (a) Steel Plants
- (b) Cement Industry
- (c) Thermal Power Stations
- (d) Brick Kiln Industry
- (e) Hard Coke
- (f) Soft Coke

The constraints resulting in shortfall have already been advised to the Estimates Committee in the earlier replies. However, the latest trends for each of these items are discussed below :—

- (a) As far as the movement to Steel Plants is concerned, attention is invited to reply to Item 30 of the Railway Convention Committee wherein it has *inter alia* been stated that the current movement has been able to cater to the full demands of the Steel Plants.
- (b) *Cement Industry*.—Movement to Cement plants during the months April '75 to January '76 has been 508 wagons daily against the target of 610 wagons. That the target is very much on the high side is borne out by the fact that during the 3 months October '75 to December '75, the cement plants could maintain their off take of coal only to about 72 per cent of the total linkage and yet hold a steady coal stock not below 19 to 28 days. The current position is that most of the cement plants are having coal stocks for more than a month and they have curtailed their offtake of coal from various fields drastically, which is telling upon the loading of coal.
- (c) *Thermal Power Stations*.—The average daily loading during the month April '75 to January '76 has been 2140 wagons against the target of 2474 wagons. Here again an anomalous situation

has arisen as majority of Thermal Power Houses have substantially curtailed their offtake of coal because of considerable stock position varying around 30 to 85 days. A situation, therefore, has arisen when coal loading is suffering adversely for want of adequate demands by Power Houses and Cement and other industries.

- (d) *Brick Kiln Industry.*—The average daily loading during the period April '75 to January '76 has been 258 wagons against the target of 300 wagons (from Bengal-Bihar coal fields). Loading has been less because of policy of Coal India Ltd. not to release Grade I coal for such purposes and insistence on movement of inferior grade of coal from the Raniganj sphere for brick burning purposes—a policy which has been relaxed only lately. Loading has also been less because of large scale cancellations by consumers and lack of demands for middlings.
- (e) Loading of hard coke has been at a daily average of 185 wagons during the months April '75 to January '76 against the target of 250 wagons (from Bengal-Bihar fields) primarily due to low level of demand and heavy cancellations.
- (f) *Soft Coke.*—The average daily loading during the months April '75 to January '76 has been 124 wagons against a target of 200 wagons (from Bengal-Bihar coal fields). Loading has been low because of the inability of the coal producing agencies to increase the offering of soft coke which continue to be much less in relation to the demand. In fact Railway capacity to load has idled on account of low offering.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 40, Para No. 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

(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

*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 :—

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."

Reply of Government

The figures of demand and supplies of coal to the Railways during the Fourth Plan period indicated in para 4.52 of the 68th Report of the Estimates Committee (on the working of the Ministry of Energy) were not furnished by the Ministry of Railways. The correct figures of anticipated requirements and supplies were as under :—

Year			Anticipated	Supplies
			requirements	
(Figures in million tonnes)				
1969-70	.	.	16.2	16.2
1970-71	.	.	16.0	15.3 (Regulated to actual needs)
1971-72	.	.	15.0	15.3
1972-73	.	.	14.8	14.8
1973-74	.	.	14.6	13.4

The above position was clarified in the action taken note on Estimates Committee's recommendations sent to the Ministry of Energy, a copy of which is attached.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

ACTION TAKEN ON THE RECOMMENDATION CONTAINED IN 68th REPORT OF ESTIMATES COMMITTEE (V LOK SABHA) ON THE MINISTRY OF ENERGY (DEPTT. OF COAL)—AVAILABILITY AND DISTRIBUTION OF COAL

Recommendation (S. No. 35, Para No. 4.52)

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 Railway's 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.

Reply of Government

Apparently, the observations of the Committee are based on the wrong figures of demand and supply of coal to the Railways appearing in para 4.45. The correct position is indicated below :—

Requirements and supply of coal to the Railways during the Fourth Plan

Year	Anticipated requirements						Supplies (Figures in million tonnes)
	
1969-70	16.2
1970-71	16.0
							15.3 (Regulated to actual needs)
1971-72	15.0
1972-73	14.8
1973-74	14.6
1978-79 (Revised estimates)	14.4

It will be seen from the above that while supplies were adequate till 1972-73, there was a shortfall of over a million tonnes in 1973-74 necessitating cancellation of trains. It would thus be seen that the shortfall in supplies was not on account of projection of the demand on the low side.

It was estimated in 1972, prior to the oil crisis, that the requirements of the Railways during the Fifth Plan would gradually reduce and stand at about 13 million tonnes in 1978-79. However, in view of the oil crisis it became necessary to slow down the pace of condemnation of steam locos. The position had been reviewed and according to the revised estimates indicated to the Department of Coal (Railway Board's letter No. 75/Fuel/122/11 dated 5-3-1975) the annual requirements of loco coal for the Railways during the Fifth Plan period will stand at the level of 14.4 million tonnes. With the improvement in coal production and given normal working conditions on the Railways, it is expected that a recurrence of the nature would not arise.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 41, Para No. 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 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.

Reply of Government

As already explained in reply to recommendation number 40, the observations of the Estimates Committee in para 4.52 of their 68th Report were based on the figures of demand and supplies of coal to the Railways during the 4th Plan period which were not factually correct.

The correct figures are indicated below which have already been furnished to the Railway Convention Committee :—

Year	Anticipated requirements	Supplies	
		(Figures in million tonnes)	
1969-70		16.2	16.2
1970-71		16.0	15.3 (Regulated to actual needs)
1971-72	.	15.0	15.3
1972-73	.	14.8	14.8
1973-74	.	14.6	13.4

It will be seen from the above that the actual supplies in 1973-74 were short of the requirements by 1.2 million tonnes.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No 42, Para No. 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.

Reply of Government

All the required services (which are justified from the traffic point of view) which had been suspended on account of difficult coal position have since been restored. It is confirmed that the coal supply position to the Railways is now satisfactory and no train remains cancelled for want of coal.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Further information called for by the Committee

Please indicate :—

- (i) the number of trains (Zone-wise) which still remain suspended;
- (ii) the new factors that have since arisen necessitating their continued suspension; and
- (iii) alternative arrangements, if any, made to meet the requirements of passenger traffic.

(iv) the line capacity (Section-wise) that has been rendered surplus and how the same is proposed to be utilised.

Reply of Government

All the required train services which had earlier been cancelled on account of coal shortage have since been restored. Some of the trains which were poorly patronised have, however, not been restored and they have been cancelled on a permanent basis. The Railway-wise position of such trains is given below :—

1. Northern Railway	7 pairs
2. North Eastern Railway	4 pairs
3. Northeast Frontier Railway	11 pairs
4. Southern Railway	36 pairs
5. South Central Railway	3 pairs
6. South Eastern Railway	2 pairs
7. Western Railway	24 pairs
Total	87 pairs

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227
Vol. II, dated 23-11-1976].

Further information called for by the Committee

Please indicate :—

(iii) alternative arrangements, if any made to meet the requirements of passenger traffic.

(iv) the line capacity (Section-wise) that has been rendered surplus and how the same is proposed to be utilised.

Reply of Government

(iii) Passenger trains that have been cancelled on a permanent basis are the trains which were poorly patronised. In most cases alternative train services are available on these sections and the few passengers can avail of these existing trains.

(iv) The sections on which these trains have been cancelled are mostly branch line sections where line capacity was already surplus. There are, therefore, no proposals for utilisation of line capacity rendered surplus at present.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227
dated 25-10-1977].

Recommendation (S. No. 56, Para No. 3.118)

The Committee note that there was a shortfall of 1.8 million tonnes in the targetted 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 over-all increase that occurred during the Plan period (678 kms. in 1972-73 and 662 kms. in 1973-74).

Reply of Government

The shortfall of 1.8 million tonnes of POL traffic referred to is not due to the inability of the Railways to move the traffic. Whatever traffic was offered in 1973-74 (last year of the 4th Plan) was lifted in full.

As regards the lead of POL traffic a comparative statement showing leads in the POL traffic as well as in the general traffic from 1969-70 onwards is given below :—

Year		POL lead in Kms.	General traffic lead in Kms.	Difference in two leads
1969-70	.	564	643	79
1970-71	.	559	648	89
1971-72	.	593	674	81
1972-73	.	614	678	64
1973-74	.	633	662	29
1974-75	.	627	694	67
1975-76	.	626	693	67
(Upto Dec. 75)				

It will be seen from the above statement that the lead in POL traffic has always been less than the lead in the general traffic and the difference in the two leads, over the years, except in the year 1973-74, has remained in the region of 60 to 90 kms.

The reason for this slightly lower level of lead in respect of POL traffic is mainly because, as a measure of rationalisation, the country has been divided into Zones for convenience of distribution and since the refineries/importing port installations are evenly distributed along the coastline, the maximum lead is more or less static.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976].

Recommendations (S. No. 82, Para No. 5.29)

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' requirement 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 Railway and the Steel Authority of India Ltd., may be deputed to go into matter in depth. Government should ensure that concerted measures are taken to improve the output of trough sleepers so as to meet the requirement of Railways in full.

Reply of Government

Ministry of Steel have informed that there is adequate production of railway materials at the relevant steel plants. Production of all steel items

including railway materials have considerably improved over the last two years. In fact to find outlets to the stocks piling up, Ministry of Steel and SAIL International are making efforts to export steel items including rails.

Though there was general shortage of steel earlier, the situation has totally changed now. In view of the changed situation, it is felt that there is no need for a joint investigating team comprising of the representatives of Railways and SAIL as suggested by Railway Convention Committee.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 90, Para No. 5.60)

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 by 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 Jessop 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 Dec. '73 and Oct. '74 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 targetted capacity and is able to deliver at least upto 9 coaches per month, as per the agreed programme.

Reply of Government

The production of DC/EMUs by M/s. Jessop since December, 1973 had been as under :—

Dec. 1973 to March 74 (4 months)	..	..	..	24
1974-75	..	..	..	69
1974-75	..	..	..	48
Total (28 months)	..	..	..	141 i.e. average 5 p.m.

2. It will be seen from the above that M/s. Jessops had maintained production at the lower level of the delivery rate agreed to by them i.e. 6 Nos. per month, during December, 73 to March '75. However, during 1975-76 it declined to 4 per month average. The firm have attributed their inability to maintain production at the higher level of 9 per month to the following :—

- (i) Acute shortage of power in West Bengal during 1974.
- (ii) In-adequate supply of Traction Equipment by BHEL.
- (iii) Inadequate supply of motor coach wheelsets which is a free supply item to be arranged by Railways.
- (iv) Paucity of funds in the Railway's budget.

3. Although the firm have contended that they are in a position to achieve production of 9 coaches per month, they had not achieved this level in the past.

3.1. It is a fact that there were restrictions on power supply in West Bengal during 1974.

3.2. Traction equipments are supplied by M/s. BHEL, who depend on M/s. Kirloskar, Poona for the compressors which is a vital item of the equipment, without which the coaches cannot be commissioned. From Aug. '74 onwards the supplies of compressors were inadequate to match a production of 9 per month. To avoid total interruption of production on this account, from Nov. '74 onwards they were granted permission to manufacture and stable the coaches without traction equipments, for which full payments were authorised. If adequate supplies of Traction equipments, were available the firm could have definitely done better than 6 per month which had been then actual average production during 1974-75. To avoid congestion in their premises on account of stabled coaches, some of the stabled coaches were moved to Bombay, during May 1975 and later.

3.3. As regards motor coach wheelsets (which is also a free supply item), these wheelsets are imported in loose condition and the same are assembled by the Eastern Railway at Kanchrapara workshop and supplied to the firm. The supply position of these motor coach wheelsets was hand to mouth for few months i.e. from Nov. '74 to April '75, due to certain technical difficulties experienced in the Railway Workshops which was subsequently overcome. But supplies adequate to meet Jessops production was maintained. This item by itself has not affected the production of M/s. Jessops.

3.4. Upto 1974-75 there was no paucity of funds. During 1975-76, however there was a drastic cut in the allocation of funds for coaches. The budget allocation for coaches to be manufactured by Jessops was only Rs. 5 crores which was adequate only for payments for a total of 120 coaches (DC/EMUs and M.G. coaches). The firm were advised in May/June '75 itself to regulate their production within the funds. Since the constraint of inadequate availability of traction equipment was already hampering the production of DC/EMUs, it was appropriate for the firm to slow down the production of this type, to be within the funds. Inadequate availability of funds, had also affected payments to BHEL for the Traction Equipments. Inspite of the constraint of funds the firm turned out 48 DC/EMUs and 130 M.G. coaches during 1975-76, which is in excess of the original budgetted production. Additional funds were made available to pay the outstanding bills only in the fourth quarter of 1975-76, by which time it was too late for the to step up the production.

4. Considering the above difficulties, delivery period has been extended from 30-6-75 to 31-3-77.

5. In this connection, it may be stated that considering the capability of Jessops to diversify their capacity for other items of work, and the comparatively low priority allotted by Planning Commission, for the procurement of coaches, it has been decided that after completion of the outstanding load during 1976-77, Jessops may go out of coach production from 1977-78 onwards. M/s. Jessops have, however, requested that though

they have diversified a portion of the Rolling Stock manufacturing capacity for other products, they are willing to continue the coach production (both EMU and MG coaches) against Railway Board's future programme, provided adequate orders are forthcoming.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976].

Recommendation (S. Nos. 92, 93 & 97, Para Nos. 5.62, 5.63 & 5.77)

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 been 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, yearwise, having regard to the present trend and the perspective plans of the Railways.

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.

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.

Reply of Government

The question of replacement of NG coaches in the light of recommendations made by Uneconomic Branch Line Committee was examined. Requirements of NG coaches for the IV, V & VI Plan periods were worked out and it was decided to procure the required stock during the three Plan periods. Accordingly, provision of 200 NG coaches was made in the IV Plan. However, only 29 coaches were placed on line in IV Plan due to paucity of funds and as also the limited manufacturing capacity available in Railway Workshops which are mainly geared to cater to the POH and maintenance need of rolling stock. Only the residual capacity is utilised for construction of coaches.

As per the present plans, 160 coaches are expected to be put on line during the V Plan period subject to availability of funds. It may be mentioned that priority at present is being given to BG and MG replacements and thus very limited funds are available for NG stock. Due to continuous constraint on resources, the replacement of overaged NG coaches which was expected to be completed by the end of the VI Plan, is now expected to extent over the VII Plan period. This will again be subject to the availability of funds.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976]

Recommendation (S. No. 96, Para No. 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 3200 coaches. The shortfall was 482 on BG, 462 on MG and 171 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.

Reply of Government

The Ministry of Railways are conscious of the need for replacement of overaged coaches and are doing their utmost to have them replaced as early as possible. During the V Plan, 3462.5 coaches are estimated to be required for replacing the overaged coaches on Broad Gauge and Metre Gauge. Provision has been made for all except 105.5 OCVs on B.G. and 83 PCVs and 343 OCVs on M.G. Almost all the coaches except those provided against RSP 1976-77, have been covered by orders. As regards their manufacture, though capacity exists for the manufacture of 1550 coaches per year in the country, the same is, however, not being able to be fully utilised due to the constraint on financial resources. As the ways and means position is uncertain and constrained it is really not possible to fix any specific target for replacement of all the overaged coaches. However, efforts will continue to be made for the manufacture of passenger coaches on replacement account to the maximum extent possible within the availability of funds.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Recommendation (S. No. 98, Para No. 5.78)

So far as wagons are concerned, the Committee observe that the original programmes of replacement of 35,628 wagons (in terms of 4-wheelers) was reduced to 25,340 wagons and 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.

Reply of Government

The original 4th Five Year Plan (Rs. 1525 crores) provided for 25340 wagons, in terms of 4-wheelers, on Replacement Account. However, keeping in view the slower growth of traffic during the first two years of the 4th Plan i.e. 1969-70 and 1970-71, a review of the freight traffic target was undertaken in January, 1971. The revised traffic target was kept at 240.5 million tonnes at the end of the 4th Plan period. Since the provision on

Additional Account had to be considerably reduced on account of downward revision of the traffic target, the provision on Replacement Account was stepped up to 27628 wagons to meet the minimum demands. As a result of the mid-term Plan appraisal (Rs. 1400 crores), another 8000 BG wagons were included on Replacement Account, making a total provision of 35628 wagons in the 4th Plan.

2. The actual provision made upto 1972-73 Rolling Stock Programmes was 29918 wagons, the balance was to be considered for provision in 1973-74 RSP. However, provision in 1973-74 RSP was made against the requirements in the 5th Five Year Plan, as sufficient orders were already available for production during the 4th Plan period. Thus, based on likely production and availability of funds, the provision in the 4th Plan was limited to 29918 wagons only.

3. The actual number of wagons placed on line during the 4th Plan was only 24036.

4. The arisings for replacement of wagons during V Plan were worked out at the beginning of the V Plan and as the number required was beyond the financial and manufacturing capacity, it was proposed to equally distribute the total load in V and VI Plans. Based on this, a provision of 24,475 wagons in terms of 4-wheelers was made in the V Plan. The actual programme for manufacture of wagons on replacement account will, however, depend on the availability of funds under depreciation reserve fund, which is limited, and the available manufacturing capacity. Under the circumstances, it will not be possible to ensure that all wagons which have outlived their normal life are replaced by the end of the V Plan.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227
dt. 22-9-1976].

Recommendation (S. No. 99, Para No. 5.79)

As the percentage of overage wagons 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 wagons 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.

Reply of Government

The observations of the Committee have been noted. The utilisation of wagons on the Narrow Gauge is not as intensive as on the other two gauges. However, owing to financial constraints, it has not been possible to arrange replacement of overaged stock. It is proposed now to replace the overaged N.G. Wagons in a phased manner extending over three plan periods viz. V, VI and VII Plans.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227
dated 22-9-1976].

Recommendation (S. No. 107, Para No. 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.

Reply of Government

As per the latest assessment, Railways expect to carry about 217 million tonnes of originating traffic, as against the target of 210 million tonnes, during 1975-76.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Further information called for by the Committee

Please furnish actuals of originating traffic carried by the Railways during 1975-76 together with the latest estimates for 1976-77.

Reply of Government

A statement showing the actuals of originating traffic carried by the railways during 1975-76 together with the latest estimates for 1976-77 is given below :—

					(In million tonnes)	
Sl. No.!	Commodity		Originating traffic lifted during 1975-76 (actuals)		Estimates of originating traffic for 1976-77	
1.	Coal (excluding railway coal)	.	.	.	64.04	67.00
2.	Raw material for steel plants	.	.	.	19.93	22.00
3.	Pig iron and finished steel from steel plants	.	.	.	7.72	8.00
4.	Iron ore for export	.	.	.	11.29	12.00
5.	Cement	.	.	.	11.56	12.00
6.	Foodgrains	.	.	.	16.14	15.50
7.	Fertilizers	.	.	.	7.42	6.50
8.	P.O.L.	.	.	.	11.56	11.00
9.	Other goods	.	.	.	46.53	48.00
10.	Total revenue earning	.	.	.	196.19	202.00
11.	Total non revenue earning	.	.	.	26.52	23.00
Grand total		.	.	.	222.71	225.00

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227/
Vol. II dated 23-11-1976].

Recommendation (S. No. 123, Para No. 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 export 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.

Reply of Government

The observations made by the Committee are being brought to the notice of the Planning Commission and the concerned Ministries/organizations.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Further information called for by the Committee

Please state the precise action taken to constitute the Task Force regarding the movement requirements of iron ore for export.

Reply of Government

As recommended by the Committee, Planning Commission were requested to constitute a Task Force regarding the movement requirements of Iron Ore for Export. The Planning Commission are of the view that the traffic targets for rail movement are reviewed by them in consultation with the Ministry of Railways and other concerned Ministries at the time of discussions on the Annual Plan and Five Year Plans of the Railways. A Committee of Secretaries constituted for reviewing iron ore exports also periodically examine the iron ore export programmes. In undertaking these reviews due regard is paid to the targets for iron ore for export. Further in connection with the formulation of the Sixth Five Year Plan, the question would have to be again considered in depth by setting up inter-Ministerial Working Group.

In view of the above factors, the Planning Commission does not consider it necessary to set up a Task Force at this stage, for assessing the movement requirements of iron ore for export.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227/
Vol. II dated 23-11-1976].

CHAPTER IV

RECOMMENDATIONS IN RESPECT OF WHICH GOVERNMENT'S REPLIES HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (S. No. 1, Para No. 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.

Reply of Government

Observations of the Committee are noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Comments of the Committee

Please see Chapter I for Comments.

Recommendation (S. No. 2, Para No. 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 Organizations. Detailed transport planning studies for major commodities are also stated to have been undertaken to make planning more realistic.

Reply of Government

Observations of the Committee are noted.

Detailed transport planning studies in respect of Coal have already been completed and similar studies in respect of other major commodities are in progress.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Further information called for by the Committee

Please indicate the latest position regarding the transport planning studies in respect of each major commodity, the likely date of their completion and the action taken or proposed to be taken in pursuance thereof.

Reply of Government

Study Report on Steel Transport Planning has been completed recently and is under examination. Action on the recommendation of the Study Report would be taken after its examination is completed.

As regards the transport studies in respect of other major commodities, relevant data is being collected. Incidentally, the Fifth Five Year Plan has been finalised by the Planning Commission only recently and, therefore, the basic data in regard to likely transport demands for different commodities would have to be revised based upon the production targets, as envisaged in the finalised Fifth Five Year Plan. Efforts are being made to expedite the completion of these studies as early as possible.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227/
Vol.II dated 23-11-1976].

Comments of the Committee

Please see Chapter I for Comments.

Recommendation (S. No. 3, Para No. 1.11)

The Committee recognise that Railway Planning is largely derivative planning based on development programmes of and assessment of traffic given by 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 subject 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 Organizations at the Zonal Levels would go a long way in making Railway Plans more realistics.

Reply of Government

Observations of the Committee are noted.

It may, however, be pointed out that the anticipated originating traffic as at the end of a Plan period under major commodities is first determined by a Working Group set up under the aegis of the Ministry of Railways at the instance of the Planning Commission. This Group includes representatives of various economic Ministries/Planning Commission and Public sector Undertakings. The estimates of traffic made by the Working Group are again scrutinised by the Planning Commission in consultation with the Railway Board while fixing final targets for the railway plan keeping in view the national plan as a whole. However, the observations of the Committee are being brought to the notice of the Planning Commission.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227
dt. 22-9-1976].

Further information called for by the Committee

Please state whether the estimates of originating traffic as furnished by the concerned Ministries are scrutinised and revised, if and when necessary

with reference to actual field conditions as reported by the Zonal Railways. If so, please indicate the methodology and periodicity of such reviews.

Reply of Government

As has been already explained to the Committee, the estimates of originating traffic for the Plan period as a whole, as furnished by the concerned Ministries are first scrutinised by a Working Group set up under the aegis of the Ministry of Railways at the instance of the Planning Commission. This Group naturally takes into account the experience of the Railways in the past. These estimates made by the Working Group are again scrutinised by the Planning Commission in consultation with the Railway Board. The traffic estimates included in the Plan are again subjected to a detailed review at the time of Mid-term appraisal which takes into account the latest development in all relevant fields.

Similarly, while formulating the Annual Plan, the estimates of traffic as furnished by concerned Ministries are scrutinised by the Planning Commission in consultation with the Railway Board, keeping in view, *inter alia*, the actual materialisation of traffic in the preceding period, likely build up of capacity and actual field conditions as reported by the Zonal Railways. Mid-year review of traffic estimates is also carried out at the time of August. Review which takes into account the actual field conditions and actual materialisation of traffic upto June and approximates for July, as reported by the Zonal Railways.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227/
Vol. II dated 23-11-1976].

Comments of the Committee

Please see Chapter I for comments.

Recommendation (S. Nos. 4 and 5, Para Nos. 1.12 and 1.13)

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 the 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.

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.

Reply of Government

Observations of the Committee are noted.

It may however, be re-emphasised that in the assessment of goods traffic and the fixing of traffic targets for planning purposes the Railways have to be necessarily guided by the data furnished by the user Ministries, other public sector undertakings and the Planning Commission. A large proportion of railway goods traffic consists of committed programmed traffic and competition comes in regard to only 15% of the total originating traffic.

However, the Railways are fully aware of the competitive conditions prevailing in regard to the limited quantum of general goods traffic and this position is kept under special watch by the Marketing & Sales Organisation of the Railways, with a view to ensure that diversion of traffic from rail to road is kept to the minimum and additional high revenue traffic is attracted to the Railways. The Railways have introduced container services on important routes which provide customers an integrated inter-modal door-to-door service free from delays and transit damages. This service combines the advantages of rail and road transport and has enabled the customers to make considerable economies in packaging. Another form of inter-modal door-to-door service introduced by the Railways to combat the competition is Freight Forwarder Service. Under this scheme, Freight Forwarders appointed by the Railways collect less-than-wagon-load consignments from individual customers, book them bulked up into full load consignments and deliver the consignments at the destination at the customers' premises. This results in elimination of multiple handling, reduction in transit time and better utilisation of wagons.

Thus, in making an estimate of general goods traffic, the Railways do take into account all the relevant factors, such as past trends, conditions of competition and the measures adopted to counteract the same, general trends in the economy etc.

Traffic targets for Zonal Railways are also fixed for each individual year of Plan, at the commencement of the year and the performance of the Railways is reviewed from time to time with reference to these targets. The targets, as also achievements, are reviewed in the Annual Reports.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Comments of the Committee

Please see Chapter I for comments.

Recommendation S. No. 6 Para No. 1.24)

The Railway Convention Committee, 1971, in paragraph 1.30 of their Fifth Report on 'Requirement 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 of 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 lead of traffic has come about by fortuitous circumstances, the Railways having never taken this factor into account at the planning stage."

Reply of Government

The observations of the Committee are noted.

It may however be mentioned that indicating target in terms of tonnes carried has to be seen in consonance with production targets set for various commodities like coal, POL, Steel Plant traffic, etc. by the users Ministries/Agencies, so that a direct relation between the two is visible. Since the latter is fixed in originating tonnes, the Railways have to also do the same. At the same time the effect of increase in average lead of traffic on the overall workload on the Railways cannot be ignored, nor can this be treated as merely incidental.

The Railways fully took this lead into account in working out the requirement of rolling stock for carrying this level of traffic. However, the increase in lead during the Fourth Plan was particularly steep, going up from 617 kms. in 1969-70 to 678 kms. in 1972-73, as against an increase of only from 561 to 576 kms. during the Third Plan. Therefore, the performance of Railways can be realistically assessed only by considering the originating tonnage and the average lead of haul, reflected in the Net-ton-kilometres.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Further information called for by the Committee

(a) Please indicate the precise action taken by the Ministry of Railways/Planning Commission to lay down specific commodity-wise targets both in terms of originating tonnage and net tonne kilometres while finalising the Fifth Plan.

(b) Please indicate if the data regarding direction/destination-wise break-up of traffic in major commodities has been furnished by the concerned Ministries to the Railways and to the Planning Commission. If so,

please indicate the precise targets both in terms of originating tonnage and lead for the remaining years of the Fifth Plan.

Q1

Reply of Government

The Ministry of Railways have not received direction-wise/destination-wise break-up of traffic in major commodities other than coal from the concerned Ministries. Consequently, it has not been possible to fix targets in terms of net tonne kilometres for each commodity.

2. In the context of finalisation of the Fifth Five Year Plan, Railways had furnished to the Planning Commission the following commodity-wise estimates of originating freight traffic for the last year of the Plan :—

Commodity	TARGET (In million tonnes)
1. Steel Plant Traffic	
(a) Finished Products	9.5
(b) Raw materials	26.5
2. Coal	
(a) For Steel Plants & Washeries .	28.0
(b) For Railways	13.5
(c) For others .	49.0
Total	90.0
3. Iron Ore for Export	
4. Cement .	14.0
5. Foodgrains	16.0
6. Fertilisers	8.0
7. P.O.L. .	14.5
8. Other Goods	50.0
9. Railway Materials .	6.0
Grand Total	250.0

The Fifth Five Year Plan document, recently approved by the National Development Council and published by the Planning Commission, envisages that the rail-borne originating freight traffic in the last year of the Plan may be 250 to 260 million tonnes.

3. In the absence of detailed information regarding origin destination patterns, the Railways are of the view that based on the past trends the average lead of freight traffic is likely to be around 678 kilometres. On this basis, corresponding to the originating tonnage of 250 million tonnes, the total workload on the Railways is likely to be around 169.50 billion NTKMs by the end of the Fifth Five Year Plan.

4. The current methodology of planning envisages fixing of traffic targets with reference to the last year of the Plan. Yearwise targets of traffic are fixed at the time of formulation of Annual Plans. Traffic targets for each remaining year of the Plan will, therefore, be fixed at the time of Annual Plan discussions with the Planning Commission and other Government Ministries/Departments.

(c) Please furnish a statement showing the targets separately in terms of originating tonnage and net tonne kms. and actual realisation thereof (commodity-wise and Zone-wise) for each year of the Fifth Plan together with reasons for variations.

Reply of Government

Targets in terms of net tonne kms. are not being fixed commodity-wise. The originating revenue earning traffic lifted during 1974-75 and 1975-76 vis-a-vis anticipations, commodity-wise and zone-wise, is shown in the statements on page 97.

During 1974-75, the targets could not be achieved for the following reasons :—

- (i) Country-wise strike of railwaymen in May, 1974 and its after-effects in the earlier part of the year. This alone accounted for the loss of about 11.8 million tonnes of originating traffic.
- (ii) Civil disturbances and political agitations in Bihar.
- (iii) Strike by NMDC staff in Bailadilla mines during April/May 1974 which affected loading of iron ore for export.
- (iv) Strike in jute industry, Food Corporation of India and port workers during January/March, 1975, resulting in immobilisation of a large number of wagons.

During 1975-76, loading has been in excess of the target in most of the commodities. The main shortfall was in respect of iron ore for export due to inadequate materialisation of traffic.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227/
Vol.II dated 23-11-1976].

Comments of the Committee

Please see Chapter I for comments.

RAILWAY-WISE AND COMMODITY-WISE TARGETS AND ACTUAL TRAFFIC LIFTED DURING 1974-75 AND 1975-76

Sl. No.	Commodities	Central		Eastern		Northern		North Eastern		Northeast Frontier		Southern		South Central		South Eastern		Western		Total	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
1. Coal		4.20	3.68	30.80	28.98	—	—	—	—	0.30	0.15	—	0.04	4.20	4.31	18.50	17.76	—	—	58.00	54.92
2. Raw material to steel plants		0.45	0.52	1.00	0.36	—	—	—	—	0.09	0.07	0.03	0.03	0.01	0.02	17.22	16.51	—	—	18.80	17.51
3. Pig iron & finished steel from steel plants		—	—	1.80	1.48	—	—	—	—	—	—	0.12	0.04	—	—	5.58	5.20	—	—	7.50	6.72
4. Iron ore for export		—	—	—	—	—	—	—	—	—	—	3.04	2.26	1.86	1.25	7.10	5.58	—	—	12.00	9.09
5. Cement		1.45	1.38	1.10	0.76	0.63	0.43	—	—	0.01	0.01	2.58	1.65	1.97	1.61	1.85	1.48	2.50	1.89	12.00	9.21
6. Foodgrains		1.61	1.65	0.49	0.44	8.30	5.16	1.08	0.48	0.42	0.22	0.94	1.42	0.82	1.24	1.15	1.05	1.17	1.96	16.00	13.62
7. Fertilizers		0.64	0.68	0.66	0.49	0.70	0.68	0.15	0.17	0.11	0.11	1.16	1.05	0.33	0.51	0.77	0.77	1.58	1.73	6.00	16.19
8. P.O.L.		1.90	1.14	1.03	0.71	0.60	0.72	0.26	0.10	0.84	0.72	2.13	2.06	—	0.27	1.08	0.66	4.39	4.36	12.00	10.74
9. Other goods		6.57	5.71	5.50	5.15	5.92	6.29	3.78	3.63	1.79	1.47	4.80	4.40	4.02	4.03	6.12	6.43	10.10	8.39	48.50	45.50
10. Total revenue earning traffic		16.82	14.76	42.38	38.37	16.15	13.28	5.27	4.38	3.56	2.75	14.80	12.95	13.21	13.24	59.37	55.44	19.74	18.33	190.80	173.50

1975-76

1. Coal		3.70	4.34	31.00	33.91	—	—	0.01	0.40	0.15	—	0.02	5.20	5.28	18.20	20.32	—	0.01	58.50	64.04	
2. Raw material to steel plants		0.55	0.67	0.57	0.49	—	—	—	—	0.09	0.10	0.03	0.04	0.01	—	16.55	18.63	—	—	17.80	19.93
3. Pig iron & finished steel from steel plants		—	—	1.80	1.94	—	—	—	—	—	—	0.12	0.03	—	—	5.58	5.75	—	—	7.50	7.72
4. Iron ore for export		—	—	—	—	—	—	—	—	—	—	3.50	2.39	2.00	1.55	8.50	7.35	—	—	19.00	11.29
5. Cement		1.25	1.46	1.25	1.05	0.54	0.53	—	0.01	0.01	0.01	2.55	2.22	2.15	2.12	1.60	2.34	2.65	1.82	12.00	11.56
6. Foodgrains		1.65	2.23	0.45	0.70	6.90	5.80	0.68	0.73	0.25	0.32	1.40	1.63	1.12	1.26	1.10	1.29	1.95	2.18	15.50	16.14
7. Fertilizers		0.65	0.86	0.54	0.70	0.68	0.79	0.17	0.15	0.11	0.15	1.05	1.23	0.50	0.58	0.77	0.88	1.73	2.08	6.20	7.42
8. P.O.L.		1.40	1.32	0.78	0.87	0.72	0.85	0.15	0.11	0.75	0.85	2.05	2.12	—	0.34	0.80	0.70	4.35	4.40	11.00	11.56
9. Other goods		6.40	5.57	5.25	6.05	6.75	6.52	3.65	3.55	1.50	1.72	4.40	3.69	4.05	4.19	6.50	6.91	9.00	8.33	47.50	46.53
10. Total revenue earning traffic		15.60	16.45	41.64	45.71	15.59	14.49	4.65	4.56	3.11	3.30	15.10	13.37	15.03	15.32	59.60	64.17	19.68	18.82	190.00	196.19

Recommendation (S. No. 7, Para No. 1.25)

In this connection, the Committee have noted with interest the observations of the representatives 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."

Reply of Government

The general point which the Railways want to emphasize is that the originating tonnage by itself is not a correct index of the work load on the Railways. For making a proper assessment of Railways workload, both the originating tonnage as also the average lead have to be taken into account. Therefore if the originating tonnage during the Fourth Plan had come up to the target envisaged at the time of mid-term appraisal, but at an average lead substantially higher than what was assumed for planning purposes, the Railways would not have been in a position to carry the entire traffic as the resultant transport demand would have been substantially more than what the Railways had planned for.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Comments of the Committee

Please see Chapter I for Comments.

Recommendation (S. No. 8, Para No. 1.26)

The Committee would therefore once again emphasize 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.

Reply of Government

The observations of the Committee are noted.

It may, however, be submitted that Railway planning is necessarily derivative in nature inasmuch as Railways have to depend primarily on the forecasts of traffic given to them by the user Ministries. These forecasts are duly scrutinised and vetted by the Planning Commission and in fact are discussed in detail in inter-Ministerial meetings, in which the Planning Commission and Railways are also involved. However, it may be mentioned that neither the Planning Commission nor the user Ministries have been able to give to the Railways origin-destination pattern of traffic and hence the Railways are left with no alternative *except* to plan on the basis of past trends and known developments. The Railways have tried to partly remedy

this situation in case of coal by undertaking detailed transport Planning studies. But even here, the conclusions of study teams would help only to the extent the production-consumption pattern given by the concerned Ministries actually materialises.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227
dt. 22-9-1976].

Comments of the Committee

Please see Chapter I for comments.

Recommendation (S. No. 9, Para No. 2.6)

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

Reply of Government

The observations of the Committee are noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227
dt. 22-9-1976].

Comments of the Committee

Please see Chapter I for Comments.

Recommendation (S. No. 10, Para No. 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 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. Inspite of this the expenditure has exceeded the Plan outlay. Furthermore as indicated in Chapter V of this Report there has 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.

Reply of Government

Observations of the Committee are noted.

2. As regards the shortfall in achieving the physical targets during the Fourth Plan it is submitted that in our methodology/system of planning, not only on the Railways but for the country as a whole, the estimates/outlays are based on constant prices. However actual experience shows that over a period of time these prices do not remain constant, but show an upward trend, with the result that even when the amount originally sought is spent, the physical targets envisaged originally, are not achieved. The mid-term appraisal of the Plan was done in 1971 and was based upon prices prevailing at that time. It could not take into account the escalation in prices during the remaining years of the Fourth Plan. The whole sale commodity

price index increased from 181.1 in 1970 to 254.2 in 1973-74 (1961-62=100) and is indicative of the steep rise in prices during the period following the mid-term Appraisal. For example, in the case of rolling stock, the outlay provided was Rs. 568 crores against which the expenditure was Rs. 587.18 crores, though the actual procurement was 934 locomotives 57608 wagons and 6585 coaches against the target of 1132 locomotives, 68776 wagons and 7291 coaches. The shortfall in procurement was mainly on account of steep increase in the cost of rolling stock.

3. As regards shortfall in the achievement of physical target of traffic, the reasons for shortfall have been already explained to the Committee in Chapter II of the Report. There was steep drop in the achievement of production targets of major industries which have a vital bearing on the quantum of freight traffic on the Railways. For example, the shortfall as compared with the target was 33 per cent in the case of cooking coal, 19 per cent in the case of petroleum products, 56 per cent in the case of fertilisers and 53 per cent in the case of pig iron. It may, however, be stated again that although the quantum of freight traffic in tonnes did not come up as anticipated, the workload on the Railways measured by the correct index of net tonne kilometres continued to increase during the Fourth Plan right up to 1972-73. This trend would have continued in 1973-74 also, but for the serious labour unrest during that year. So far as passenger traffic is concerned, the actual growth (23%) was in fact higher than what was provided for in the Fourth Plan (20 per cent).

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Comments of the Committee

Please see Chapter I for comments.

Recommendation (S. No. 14, Para No. 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.

Reply of Government

Although the originating traffic lifted by the Railways during the Fourth Plan period did not go up to the estimated target of 240.5 million tonnes, yet the real workload on the Railways, as measured in terms of Net Tonne Kilometres, which is a better and correct index of assessment, had been constantly on the increase during the Plan. By 1972-73 this figure had gone up to 136.5 billion from 125 billion at the beginning of the Plan. During 1973-74 the last year of the Fourth Plan, it was anticipated that

Railways would lift 215 million tonnes of traffic which, at the leads then prevalent, would have meant a workload of about 146 billion net tonne kilometres for the Railways—more or less equal to the target workload of 148 billion Net tonne kilometres, for which provision was made in the Fourth Plan. Unfortunately, however, this level of traffic did not materialise in that year due to stagnation in the economy and a large number of strikes, bandhs and agitations, etc. which adversely affected Railway operations.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Comments of the Committee

Please see Chapter I for comments.

Recommendation (S. No. 15, Para No. 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 henceforth specific commodity-wise target both in terms of originating tonnage and net tonne kilometres so that investment could be related to carefully assessed needs and the Railways performance also properly evaluated.

Reply of Government

The observations of the Committee are noted. Implementation of this recommendation would, however, depend upon the availability of origin-destination data for various commodities from different user Ministries and the Planning Commission. The recommendation is, therefore, being brought to the notice of the Planning Commission who are responsible for coordinated development of various sections of economy.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Comments of the Committee

Please see Chapter I for comments.

Recommendation (S. No. 16, Para No. 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 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 performances 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 inspite of Railways long experience in this field. The Committee however note that in the interest of coordinated 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.

Reply of Government

As has been noticed by the Committee, in fixing their traffic target, 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. This is unavoidable as the railway planning by its very nature is derivative planning.

The reasons for the shortfall in the traffic materialisation for different years have already been explained to the Committee. These were primarily general stagnation in the economy during the Fourth Plan period, shortfall in the production/output in different sectors of the economy and unsatisfactory law and order situation. Even so, the Railways had achieved a traffic level of 136.5 billion net tonne kilometres during 1972-73 as against the revised anticipation of about 148 billion net tonne kilometres by the end of the Fourth Plan, based upon an originating tonnage of 235 million tonnes and an average lead of 630 kilometres. Further, as has been indicated by the Committee earlier, from the second quarter of 1972-73, the law and order position had shown improvement and the loading and movement had picked up on the Railways. There was a good upsurge of activity in the eastern sector after two difficult years. It was, therefore, both reasonable and realistic to expect an increase in traffic during 1973-74 over the 1972-73 level. Therefore, had the originating traffic increased to the anticipated level of 215 million tonnes the Railways would have come very close to the target of 148 billion NTKMs. Unfortunately, the last year of the Plan proved an exceptionally bad year, both in regard to the general economy as also the labour situation on the Railways. But for these factors, the traffic materialisation on the Railways would have been very close to the anticipations.

As has been appreciated by the Committee, the forecasting of traffic growth on the Railways has to be done in close coordination with the planning of the user Ministries, Public Sector Undertakings and under the overall guidance of the Planning Commission. Hence, the Railway Planning has to be closely dovetailed to the planning for other key sectors of the economy. Inevitably the forecasting of traffic growth on the Railways would prove only as accurate and scientific as the growth forecast for the other key sectors of the economy.

However, the observations of the Committee are being brought to the notice of the Planning Commission.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Comments of the Committee

Please see Chapter I for comments.

Recommendation (S. No. 17, Para No. 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 locomotive) of lifting about 215 million tonnes of freight traffic at an average lead of 678 kms. (i.e. 146 million Net Tonne Kilometres). 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'.

Reply of Government

The observations of the Committee are noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Comments of the Committee

Please see Chapter I for comments.

Recommendations (S. No. 18, Para No. 2.45)

Since 75 per cent of the total revenue earning traffic is traditionally accounted for by eight 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 organizations on the basis of origin-destination-wise linkage, in any case this should be done now.

Reply of Government

The observations of the Committee are noted. It may however be pointed out that despite all possible efforts to obtain the point to point anticipated movement of traffic, the Railways have not been able to get this information, either from the Planning Commission or from the user Ministries. In order to make a realistic assessment of the transport likely to be handled during the Fifth Five Year Plan, the Railways on their own set up two Study Teams for the Coal Transport Planning which have since submitted their Reports. Similar studies in respect of other major commodities are in progress.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Comments of the Committee

Please see Chapter I for comments.

Recommendation (S. No. 19, Para No. 2.46)

The Committee would also like the Ministry of Railways to initiate without delay detailed study of the freight carrying capacity including line capa-

city built 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.

Reply of Government

As has been indicated to the Committee *vide* comments under recommendations No. 86 to 88, a study regarding the transport capacity available with the Railways at the end of the 4th Plan period in respect of rolling stock capacity for lifting freight traffic is already in progress. However, similar assessment in regard to the line capacity is not feasible. Rolling stock being moveable asset can be deployed anywhere on the Railway system and therefore an objective assessment of capacity in this regard is possible. The capacity on the line on the other hand is *fixed*, which being a non-transferable asset does not lend itself to objective quantification. This can only be assessed in terms of specific routes for which a detailed and reliable picture of the pattern of traffic would be necessary.

It may, however, be clarified that as far as the availability and build-up of sectional capacity and its utilization are concerned, this picture is worked out by the Railways every year in terms of number of trains that can be run on a given section. Projections of line capacity demands, as also line capacity built-up are also made at the end of the Plan period taking into account the information available and the works in sight. This enables the Railways to identify the sections on which the line capacity is likely to fall short of the requirement and plan for future development.

This analysis however does not lend itself to quantification of total capacity available on the line for the entire Railway system for the reasons mentioned above.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Further information called for by the Committee

(a) Please indicate the outcome of the study regarding the transport capacity (in terms of rolling stock) available with the Railways at the end of the Fourth Plan. (The note may also explain why it has not been possible to complete this study within six months' time as recommended by the Committee).

(b) Please state whether any study has been made of the utilisation of additional capacity created during the Third and Fourth Five Year Plans for handling the projected increase in freight traffic in major commodities at least in the principal producing areas e.g. coal, mineral belts, steel mills etc.) and on the trunk routes and if so, the results thereof, if not, the reasons therefor.

Reply of Government

(a) The study, which has been completed recently, has indicated that the actual capacity of the Railways in terms of rolling stock at the end of Fourth Plan was around 215 million originating tonnes. It has not been possible to finalise the study earlier as the methodology for undertaking the

study was under consideration from various angles. The study has attempted to assess the capacity by alternative methods in terms of wagons as also in terms of locomotives. The capacity in terms of wagons has been assessed both on the basis of turn-rounds also on the basis of net tonne kms. per wagon day. The capacity in terms of locomotive is based upon net tonne kms. per loco day.

(b) As far as the availability and utilisation of sectional capacity, in terms of number of trains, is concerned, a section-by-section analysis of the capacity, including trunk routes, is prepared by the Railways every year. This analysis, however, is not done for specific commodities, as the total capacity *vis-a-vis*, the total traffic moving on a section has to be taken into account. However, transport planning studies for coal have been undertaken in the context of the Fifth Five Year Plan and a Transport Planning Study for steel traffic has also been completed recently.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Comments of the Committee

Please see Chapter I for comments.

Recommendation (S. No. 20, Para No. 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 out-lay 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.

Reply of Government

The position of inventories on Railways has significantly improved by the introduction of modern techniques and adoption of other important economy measures. As against the price increase of about 60% during the last three years, the inventory has been brought down from Rs. 204.13 Crs. as on 13-3-1973 to Rs. 184.09 crores as on 31-3-1975 i.e. notwithstanding the price increase, a reduction of Rs. 20.04 Crores has been affected in the inventory.

Further the High Powered Committee under the Chairmanship of Shri Mohd. Shafi Qureshi, Minister of State for Railways which was set up to streamline the stores procedures obtaining on the Railways has submitted their First Report regarding procurement of Stores, payment of Suppliers' Bills and Disposal of Stores etc. The recommendations of the Committee which have since been implemented are also expected to stimulate economy in expenditure resulting in reduction in inventories.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Further information called for by the Committee

XXX XXX XXX

"It is observed from the reply to serial No. 20 that the recommendations of the High Powered Committee set-up to streamline Stores Procedures obtaining on the Railways, have since been implemented and it is expected that as a result it would be possible to effect further economy in expenditure resulting in reduction in inventories.

It is requested that 30 copies of a detailed note showing the precise action taken on each of the recommendations contained in the Report of the High Powered Committee and the results achieved may kindly be furnished for information of the Railway Convention Committee at an early date."

XXX XXX XXX

In their First Report, the Committee on Inventory Management had made 31 recommendations. Out of these, 29 recommendations have already been accepted and implemented by the Ministry of Railways. Recommendation No. 12 is only an observation. Although Recommendation No. 13 has been accepted by the Ministry of Railways, it requires detailed examination in consultation with the Ministry of Supply & Rehab. (Department of Supply). Hence, the implementation thereof has to await the final out-come of the inter-Ministerial examinations.

As the recommendations of the Committee have been implemented only recently, it is too early at this stage to have an assessment of the results achieved consequent upon the implementation thereof. This can be assessed only after a period of 2/3 years by which time it may be possible to have a realistic view of the results achieved.

However, a statement showing the precise report of the Action Taken by the Ministry of Railways on the Recommendations of the Committee is enclosed as Annexure 'A'.

Comments of the Committee

Please see Chapter I for Comments.

ANNEXURE : 'A'

STATEMENT SHOWING THE PRECISE ACTION TAKEN ON THE RECOMMENDATIONS CONTAINED IN THE FIRST REPORT OF THE COMMITTEE ON INVENTORY MANAGEMENT OF RAILWAYS

Text of the recommendation.	Action taken by M/O Rlys.
<i>Procurement of Stores :</i>	
1. The re-order level system of recouptment and provisioning should be continued for all the items other than those procured through DGS&D, J.P.C. Railway Board and imported sources. The annual review system should continued to be adopted for stores procured through DGS&D, Railway Board, J.P.C. and imported sources.	(para : 3·4)
2. A regular and periodical review of actual consumptions, the forecast consumption, revision of limits, the quantities to be declared as surplus or excess, and the rephasing of deliveries required should be done by officers stated against each of the categories of the items listed below :—	
(a) For 'A' category items—Monthly review personally by the Controller of Stores, irrespective of the method of recouptment viz. annual review or re-order level.	Accepted <i>in toto</i> and implemented <i>vide</i> Ministry of Railways' letter No. 75/RS(G)/754/8 dated 27-8-75.
(b) For 'E' category item—Half yearly review by Dy. Controller of Stores, personally.	
(c) For 'C' category item—Annual review at the level of the A.C.O.S.	(para : 3·5)
3. The recouptment sheets and the annual estimate sheets will be examined in detail at the depot level; consumption level and the provisioning required will be finalized at the depot level in consultation with the associated finance for demands exceeding Rs. 10,000. The Depot Officer will make the provisioning for 'A' and 'B' category items and A.C.O.S. and Senior Depot supervisors for 'C' category items. Except for 'A' category items, the provisioning made for 'A' and 'B' categories by the Depot officers shall be accepted by the Purchase Officers for purchase action. There shall be no additional scrutiny of these items unless the purchase officers have information of new factors necessitating changes in the forecasting made at the depot level.	(para : 3·6)
	Accepted <i>in toto</i> and implemented <i>vide</i> Ministry of Railways' letter No. : 75/RS (G)/754/8 dated 26-8-75.

Text of the recommendation	Action taken by M/O Rlys.
4. For only 'A' category items, the COSs at the headquarters will examine the scrutiny and provisioning made at the depot level before initiating purchase action.	(para : 3·6)
5. Consequent on the implementation of the foregoing recommendations the provisioning time in the headquarters office is fixed at a maximum of 39 days, and it shall be the responsibility of the Controller of Stores to ensure that this time is not exceeded.	(para : 3·7)
6. Having regard to the increases in prices, the advertised tenders shall be in respect of items of Rs. 50,000/- and above, and the purchase of items less than Rs. 50,000 shall be made through the issue of bulletin tenders only.	(para : 3·9)
7. In cases of safety items where sources of supply are limited because of the special nature of these items, limited tenders shall be issued regardless of the value, to sources who have the required capacities and are capable of supplying the items to the needed specification.	(para : 3·9)
8. The registration cell existing in the Railway should be re-organized into Procurement and Development Cell, comprising an officer each from the Engineering, Purchase and Finance Branches. The Cell so reorganized should be asked to take up work of indigenous ancillary development as also the maintenance of lists of approved suppliers item wise for the use of the Tender Committee and the purchase officers. It shall be the responsibility of the Cell to screen the vendors performance based on the information obtained from the Computed Cell.	(para : 3·10)
9. The financial limits of authority for purchase of stores now existing for the various officers in the Controller of Stores' office should be liberalized as under :—	Accepted with slight modification and modified recommendation implemented vide M/O Railways' letter No. : 75/RS(G) 164/18 dated 20-8-75.
ACOS : Items upto Rs. 5,000 to Rs. 10,000 DCOS : items upto Rs. 25,000 DY. COS: items upto Rs. 50,000. ADDL. COS : items upto Rs. 5 lakhs. C.S.O. : items upto Rs. 30 lakhs.	(Para : 3·14)
10. In the case of stationery items, the existing limit for emergency purchase should be revised to 3 months requirements or Rs. 25,000 whichever is lower and Ministry of Railways should take up the matter with Ministry of Supply.	Accepted in toto and implemented vide M/O Railways : letter No. 72/F(S) I/PW-4/3 dated 27-11-75.
M/O	(Para : 3·14)

Text of the recommendation.	Action taken by M/O Rlys.
11. The standard conditions of contract should be amended suitably to permit instalment/staggered deliveries in the case of high value items and the clauses of the contract shall permit the Railways to amend the quantities in the Purchase Order on giving a clear 90 days notice to the supplier.	Accepted <i>in toto</i> and implemented <i>vide</i> Ministry of Railways letter No. : 64/RS(G)/779/49/APP. VI/AB/CR dated 23-8-75.
12. In the case of Production Units, corporate planning, covering material procurement should be tried. The Ministry of Railways should approve the production programme on a 5 year advance basis for a full plan period, which will be subject only to minor modifications—Based on this, a material consumption and procurement programme which dovetails into the production programme should be developed. By so doing, material management would make for optimum inventory holding while making available the required items in time. A final recommendation will be made after the study now under contemplation has been completed.	This is only an observation.
(para : 3.12) 13. Purchase from Public Sector Undertakings should be done by the Railways themselves instead of through DGS&D. The Railways Ministry should seek Cabinet approval for this change.	Accepted <i>in toto</i> . Since this requires the concurrence of the M/O Supply & Rehabilitation.
(para : 3.13) 14. The time taken by Southern and Northern Railways is much longer than what is justified. However, the Committee was informed that in the Western Railway bills are paid within 6 to 7 days. The Committee therefore, suggest that the other railways should study the Western Railway system as to how they are able to do the payment within 6 to 7 days and effect necessary improvements.	(para : 3.8) (Department of Supply) the matter is still under examination.
(para : 4.2 & 4.3) 15. For small value contracts (excluding time preference orders) say upto Rs. 10,000/- the Depot Officer should be authorized to waive liquidated damages for delays upto 6 months. In the case of high value orders the existing Powers of Depot Officer to accept delayed supplies (except for time preference orders) upto 21 days should also continue.	Accepted <i>in toto</i> and implemented <i>vide</i> Ministry of Railways letter No. : 75/AC-III/28/3 dated 4-6-75.
(para : 4.5) 16. At the time of periodical review for provisioning, the railways should throw up the surpluses and arrange for circulation of the lists of surplus items to the internal user department as also to other railway systems giving them time of 60 days for indicating what they could use.	Accepted <i>in toto</i> and implemented <i>vide</i> Ministry of Railways letter No. : 73 RS(G)/775 dated 13-8-75.
(para : 5.2)	Accepted <i>in toto</i> and implemented <i>vide</i> Ministry of Railways letter No. : 75/RS(S) 751 /5(IC) dated 28-8-75.

Text of the recommendation	Action taken by M/O Rlys.
17. On the expiry of the aforesaid period the disposable items (not required for use) should be put up to the Survey Committee for taking action in line with the existing rules for disposing these items.	Accepted <i>in toto</i> and implemented <i>vide</i> M/O Railways' letter No. : 75/RS(S)/751/5(IC) dated 28-8-75.
(para : 5·2)	
18. Instructions should be issued to the Railways to follow from now on strictly the procedure given in Stores Code Chapter XXII to anticipate/identify the surplus/over stock for prompt disposal <i>in toto</i> avoid unnecessary building up of the surplus stocks.	Accepted <i>in toto</i> and implemented <i>vide</i> M/O Railways' letter No. 75/RS(S)/751/6(IC) dated 26-8-75.
(para : 5·3)	
19. The financial powers delegated to the officers for accepting the recommendations of the Survey Committee shall be revised as under :—	Accepted <i>in toto</i> and implemented <i>vide</i> M/O Railways' letter No. : 68/RS(G)/751/1(IC) dated 6-9-74.
(a) Depot officer to arrange disposal without putting up before the Survey Committee—Rs. 1,000 per item.	
(b) Acceptance of recommendations of Survey Committee by Dy. Controller of Stores—Rs. 10,000 per item.	
(c) Acceptance of recommendations of the Survey Committee by Controller of Stores—Rs. 25,000 per item.	
(para : 5·6)	
20. The Stores Officers originating items for consideration of the Survey Committee shall be the conveyor as also member of the Survey Committee. (para : 5·7)	Accepted <i>in toto</i> and implemented <i>vide</i> M/O Railways' letter No. : 74/RS(G)/779/21 dated 20-9-74.
21. The Survey Committee should meet in the Stores Depot regularly twice in a month on any 2 days which shall be fixed at the beginning of the year and applicable throughout the year. This would help in items being regularly and periodically considered for suitable recommendations for disposal.	Accepted <i>in toto</i> and implemented <i>vide</i> M/O Railways' letter No. : 74/RS(G)/779/21 dated 20-9-74.
(para : 5·8)	
22. Action on disposal shall be initiated within one month from the date of approval by the competent authority and completed within a period of 3 months.	
(para : 5·9)	
23. In the case of imported stores, the Survey Committee should draw separate reports showing also how those items involving foreign exchange were procured. The Survey Committee should examine such items carefully before recommending disposal.	Accepted <i>in toto</i> and implemented <i>vide</i> M/O Railways' letter No. : 74/RS(G)/779/21 dated 21-8-1975.
(para : 5·10)	

Text of the recommendation	Action taken by M/O. Rlys.
24. Procurement of stores for non-standard rolling stocks likely to be condemned in the next few years should be initiated only on a non-stock basis after taking into account the number and life of such stock in service. All deliveries due for components of such rolling stock should be pruned to suit the actual level of requirements for the remaining period in service of such rolling stock.	Accepted <i>in toto</i> and implemented <i>vide</i> M/O Railways' letter No. : 75/RS(S)/751/9(IC) dated 13-8-1975.
(para : 5·11)	
25. Existing accumulation of scrap in the Railways is quite heavy and instructions should ensure reduction of holding to one months arising only.	Accepted <i>in toto</i> and implemented <i>vide</i> M/O Railway's letter No. 75/709/12/RS(S) dated 12-8-1975.
(para : 5·19)	
26. Remaining F.P.S. parts in colo carriage and wagon components should be expeditiously replaced with metric standards and the surpluses accruing, if any, should disposed of expeditiously.	Accepted <i>in toto</i> and implemented <i>vide</i> M/O Railways' letter No : 75RS(S)/751/9/1C dated 13-8-76.
(para : 5·12)	
27. An item once recommended and accepted for scrapping by the General Manager in terms of para 2223-S of the Stores Code should not be put up again for approval for disposal. Relevant code rules in para : 2408-S should be amended suitably to avoid duplication of action.	Accepted <i>in toto</i> and implemented <i>vide</i> M/O Railways letter No : 75/709/13 RS(S) dated 10-8-75.
(para : 5·20)	
28. Scrap lying with stock holders/impresst holders should be identified early and transferred to the Stores Depot for arranging disposal. To do so, the stock verification of the stores with the imprest holders and other stock holders should be done with care so that surplus/unmoved stores could be identified.	Accepted <i>in toto</i> and implemented <i>vide</i> M/O Railways letter No : 75/509/14/RS(S) dated 10-8-1975.
(para : 5·21)	
29. Departmental inspection of the user departments should also be tightened up so that stocks are inspected at least once in six months for identifying surplus non-moving/scrap for suitable action.	Accepted <i>in toto</i> and implemented <i>vide</i> M/O Railway's letter No. 75/RS(S)/751/8/IC dated 26-8-75.
(para : 5·21)	
30. Surplus stocks lying with the Permanent Way Department should be reported to the stores organisation with a view to liquidate them early as per the existing instructions for disposal.	Accepted <i>in toto</i> and implemented <i>vide</i> Ministry of Railways' letter No. 75/RS(S)/751/7/IC dated 26-8-75.
(para : 5·22)	
31. No item, which has been disposed of as surplus, should be allowed to be purchased within a period of one year from the date of disposal. If the necessity arises in any rare cases to purchase such an item, specific approval of the Head of the Department concerned and Controller of Stores should be obtained after bringing it to their notice this fact.	Accepted <i>in toto</i> and implemented <i>vide</i> Ministry of Railways' letter No. : 75/RS(S)/751/10/IC dated 23-8-75.
(para : 5·10·1)	

Recommendation (S. No. 22, Para No. 2.65)

The Committee further observed 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 Crs. in the Chittaranjan Locomotive Works is stated to be due to build-up of development suspense of Rs. 10 Crs. which does not represent materials actually in shops under processing.

Reply of Government

The comments of the Committee have been noted. The position of inventories in the Production Units is periodically reviewed with a view to ensuring effective control on them. Recently the High Power Committee on Inventory Management on Railways, which was set up by the then Ministers for Railways, to review the policies and procedures prevailing on the Indian Railways for Inventory Control and suggest improvements to have proper inventory management; deputed one of their Members to examine the Systems and procedures in vogue in Production Units to ascertain the reasons for holding high inventories and to suggest suitable remedies and improvements necessary in the systems and procedures followed there to reduce the investments. Shri Kamath submitted his report in October, 1975 which has since been accepted by Government and the three Production Units have been advised in Nov. 1975 to implement the recommendations made in that report forthwith. It is expected that with the implementation of the recommendations of Shri Kamath the position of inventories in the P. Units will considerably improve in the coming years.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227
dated 22-9-1976].

Further information called for by the Committee

Please furnish three copies of the Report of Shri Kamath together with a statement showing the important recommendations contained in the Report and the precise action taken on each of them by the Production Units and the results achieved.

Reply of Government

Three copies of the Report of Shri M. V. Kamath on Inventory Control in the Production Units are enclosed. The recommendations made by Shri Kamath in his report have been accepted by the Government, and the Production Units of the Railways (viz., C.L.W., D.L.W. & I.C.F.) have been advised to implement the same in toto.

A summary of the main recommendations is indicated in the statement at annexure 'A'. These are under various stages of implementation and periodical meetings of Controllers of Stores, FA & CAOs and CMEs of these three Production Units presided over by Director, Railway Stores are held to watch the progress.

In addition to streamlining the systems and procedures recommended by the Committee on Inventory Management, steps were taken to identify

the materials available in stock and the product mix was modified appropriately so as to use up the materials available in stock instead of procuring materials afresh. These have resulted in substantial improvement in the management of working capital/inventories in the three Production Units reducing them during the year 1975-76.

The turnover of the inventories/working capital at the end of the year to the total production value is an index of the efficiency of maintaining inventories/working capital. The comparative figures for the last 3 years are given below :

Year	C.L.W.		D.L.W.		(Value in Crs.) I.C.F.	
	Total Inv.	%age of Inv. to total Prod. value	Total Inv.	%age of Inv. to total Prod. value	Total Inv.	%age of Inv. to total Prod. value
1	2	3	4	5	6	7
1973-74	43.52	186%	40.46	166%	13.20	42%
1974-75	47.67	133%	37.93	118%	15.90	48%
1975-76	38.64	84%	34.30	87%	12.26	35%

It would be seen that the progress achieved is very satisfactory.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227
Vol. II dt. 23-11-76]

Comments of the Committee

Please see Chapter I for Comments.

ANNEXURE A

THE IMPORTANT RECOMMENDATIONS MADE BY SHRI KAMATH IN RESPECT OF STORES MANAGEMENT IN 3 PRODUCTION UNITS ARE AS UNDER

1. Unification of Materials Management control under one authority in the Production Units.
2. Unification and improvement of documentation, maintenance of records pertaining to Material Management viz., stock status, uncovered dues particulars, order particulars and position of supply quantities under inspection etc.,
3. Location of non-moving stores in shops as well as in Stores and initiating necessary action for disposal.
4. Control on Material requisitions for batch orders—Materials analysis after completion of each batch with respect to standards prescribed for materials.
5. Collection of data in movement and routing of Materials/components between stages with a view to ascertain optimum lead time in shops—Review of flow diagram for work in progress with a view to reduce overall investment.

6. Formulation of a precise procurement policy with a view to control inventories keeping in view that :—
 - (a) loco items should be ordered as per bill of materials for supply in instalments in time as per manufacture/purchase lead time.
 - (b) Non-loco items should be ordered for supply so as to limit stocks to 4 months level at a time.
 - (c) To organise a proper information system to obtain timely reports for ensuring fulfilment of the objectives.
7. To organise a committee of 3 COSs (3 Production Units) to meet every alternate months for review of major orders, supplies, terms, procurement policy etc. and exchange ideas.
8. Organise a production advisory committee to discuss procedures, facilities, powers and authorities to be vested etc.

Recommendation (S. No. 23, Para No. 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.

Reply of Government

The recommendations made by the High Powered Committee on Inventory Management on Railways pertain to procurement of stores, payment of suppliers' Bill and disposal of stores. These recommendations have since been accepted (except one which requires the concurrence of the Ministry of Supply) and the Indian Railways/Production Units advised to implement them forthwith.

The position of Inventory on Indian Railways has also significantly improved by the introduction of modern techniques and adoption of other important economy measures. As against the price increase of about 60% during the last 3 years, the Inventory has been brought down from Rs. 204.13 Crs. as on 31-3-1973 to Rs. 184.09 Crs. as on 31-3-1975 i.e. notwithstanding the price increase, a reduction of Rs. 20.04 Cr. has been effected in the inventory.

[Ministry of Railways Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Comments of the Committee

Please see Chapter I for Comments.

Recommendation (S. Nos. 25 and 120, Para Nos. 3.12 and 6.60)

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 Com-

mittee 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.

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, 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.

Reply of Government

The observations of the Committee in regard to a critical scrutiny before making any further investments for handling Steel Plant traffic are noted. It may, however, be added that before creating any additional capacity for handling traffic, the same is gone into in considerable detail with the concerned Ministry and the Planning Commission. This applies to the Steel Plants traffic also and the capacity is augmented after the sources of raw materials and dissipation of finished material etc. are firmly defined and established. Close coordination is maintained with the Steel Plants to lay down realistic targets of movements based on information available. The reasons why Steel Plants traffic did not come up to expectations have already been explained to the Convention Committee and reviewed in paras 3.1 to 3.10 of Chapter III of the Eighth Report of the Railway Convention Committee—1973.

It may further be added that with the progressive return of normalcy on the Railways after the All India Strike by Railwaymen in May 1974 there was an improving trend in Railway operations which received a further fillip after the declaration of the Emergency in June 1975. Coupled with improved function of the public sector undertaking including Steel Plants, there has been a progressive increase in the off-take of Steel Plant traffic, as would be seen from the figures given below :—

1972-73	23.7 m. tonnes
1973-74	22.0 m. tonnes
1974-75	24.2 m. tonnes
1975-76	27.0 m. tonnes (Provisional)

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC) 4227
dated 22-9-1976].

Further information called for by the Committee

(a) Please clarify if definite and firm linkages both in respect of supply of raw materials to and movement of finished products from the Steel Plants have been established with reference to the production targets for each year of the Fifth Plan.

Reply of Government

The basic raw materials for the Steel Plants are Iron Ore, Limestone, Dolomite, Manganese Ore and Coal. The sources for these raw materials are limited and well known. Consequently the movement of raw materials to the Steel Plants takes place according to a well established pattern. These sources are indicated in the attached Annexure. The movement of the raw materials excluding coal to these plants is decided in accordance with a tri-monthly programme. While the planned linkages of Steel Plants with the sources are by and large maintained, the quantities required by each Plant are determined every quarter on the basis of the actual needs, stock held and the availability at the mine head.

As far as the movement of coal to Steel Plants is concerned, movement of three types of coal takes place, viz. washed coking coal, raw coking coal & blendable coal. The exact quantum of movement is decided on a monthly basis by the Coal Controller after taking into account the availability of coal, the stocks held by the Steel Plants, the likely production from the washeries, the blend required between Primary and Medium Coking Coal, etc. etc. The programming also takes into account the rationalised pattern of movement of coal by Rail.

Regarding finished products, since the Steel Plants specialise in different types of products, the question of any firm linkage does not arise. The movement has to be in accordance with the order position of the various Steel Plants. However, movement is organised in block rakes on an established pattern to about 22 Steel stock yards all over the country in addition to piecemeal and rake movements to specified industries.

(b) Please indicate the additional investments already made/proposed to be made during the Fifth Plan period for augmenting the capacity for steel plants traffic and the justification therefor.

(c) Please also indicate precisely how the investments made in the Fourth Plan to meet the anticipated increase in iron and steel traffic which did not materialise, have been fully taken into account for each year of the Fifth Plan.

Reply of Government

The Committee is requested to refer to reply under Recommendation No. 28(b) and (c).

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC) 4227
Vol. II dated 23-11-1976].

Comments of the Committee

The Committee note that transport planning study in regard to steel has been completed recently. The Committee reiterate that the requirements should be worked out most carefully direction/destination-wise and cross-checked with the conditions obtaining in the field as known to the Zonal Railways before committing large resources for augmenting rail capacity for handling steel traffic.

ANNEXURE-I

SOURCES OF RAW MATERIAL TO STEEL PLANTS

Raw material	Steel Plant	Sources
1	2	3
Coal	Bhilai	Dugda, Santalidih, Kargali, Kathara, Swang, Patherdih and Chasnala.
	Rourkela	Dugda, Santalidih, Kargali, Kathara and Swang.
	TISCO	Santaldih, Jamadoba, Kathara, Chasnala, Gidi and West-Bokaro.
	BOKARO	Dugda, Kargali, Kathara and Gidi.
Iron Ore	Bhilai	Dalli, Rajbara.
	Durgapur	Bolani, Barajamda and Barsua.
	Rourkela	Barsua, Kalta, Barajamda and Kiriburu.
	Boakro	Kiriburu, Bolani, Barajamda and Gua.
	TISCO	Noamundi and Banspani.
Limestone	IISCO	Gua, Barajamda and Manoharpur.
	Bhilai	Nandini (Ahiwara)
	Durgapur	Birmitrapur, Chopan, Bhavnathpur and Nandini Mines.
	Rourkela	Purnapani, Birmitrapur and Satna.
	Bokaro	Bhavnathpur and Kuteswar.
Dolomite	TISCO	Birmitrapur and Satna.
	IISCO	Birmitrapur, Demo Kechhi and Satna.
	Bhilai	Hirri Mines (Dadhapara)
	Durgapur	Baraduar, Janti Bhutar, and Chopan.
	Rourkela	Baraduar.
Manganese Ore	Bokaro	Tulsidamar.
	TISCO	Birmitrapur, Baraduar, Rajgangpur and Rourkela.
	IISCO	Birmitrapur, Baraduar, Janti Bhutar.
	Bhilai	Tumsar, Tirodi and Bala-ghat.
	Durgapur	Barabil.
	Rourkela	Barabil and Barsua.
	Bokaro	Barabil and Barsua.
	TISCO	Banpani.
	IISCO	Barabil.

Recommendation (S. No. 35, Para No. 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 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.

Reply of Government

The observation is noted. It is, however, clarified that according to the provisional statistics furnished by the Coal Controller the total production, total despatches and total despatches of coal by other than rail has been as per the following figures :—

Year	Pro- duc- tion	Total des- patches	Despatches By other than rail	%age of other than rail move- ment to production	%age of other than rail move- ment to total Des- patches
1	2	3	4	5	6
1973-74	77.87	68.33	18.50	23.8	27.1
1974-75	88.41	78.96	21.73	24.6	27.5
1975-76	61.55	55.78	14.17	23.0	25.4
(Appro. to Nov.)					

It would be seen from the above that despatches by other than rail, which included road movement, have remained more or less steady in relation to the total production. As the despatches during 1975-76 have picked up substantially and this percentage has not shown a decline, it would be quite reasonable to conclude that the impact of movement of coal by other modes has not been pronounced, in relation to the movement by rail.

An important factor to be borne in mind is that a number of collieries do not have a rail siding and coal from the pit head has to be brought by road transport to the nearest rail siding. This entails double handling of coal. On consideration of handling/stacking costs, the producing collieries and consumers prefer to transport such coal directly by road transport to the consuming centres, a situation on which Railways have hardly any control. Even so, as already brought out in the statistics given above the proportion of rail movement has registered an increase in 1975-76.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC) 4227 dated 22-9-1976].

Comments of the Committee

The Railway Convention Committee, 1973 have in this paragraph referred to the Coal loading position obtaining in 1969-70 and have com-

pared the same with that obtaining at the conclusion of the Fourth Plan i.e. 1973-74. On the other hand, the Ministry's note refers to the improvement in coal loading in the first two years of the Fifth Plan in comparison with the situation in the last year of the Fourth Plan. So far as the question of sidings is concerned, the Committee consider that this is not a new factor. As such they would like to reiterate the recommendation made by them Railway Convention Committee, 1973 and would urge the Ministry of Railways to analyse in detail in consultation with the Department of Coal the reasons for diversion of coal traffic to road and take concerned measures to bring back this traffic.

Recommendation (S. No. 46, Para No. 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 nationalised, it should be possible to provide weighbridges at suitable points and obviate complaints of short despatch etc. from the consumers."

Reply of Government

As has been stated in reply to the recommendation of the Estimates Committee, referred to by the Railway Convention Committee, the policy of the railways is to encourage installation of weighbridges by colliery owners who are offered rebate in weighment by way of incentive. Railways themselves too provide weighbridges at booking points wherever justification exists, on a programmed basis.

However, the Committee's recommendation has been noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC) 4227
dt. 22-9-76]

Further information called for by the Committee

Please state the precise progress made by the Railways (zone-wise) in providing weigh-bridges *vis-a-vis* the provision made therefor during each year of the Fifth Plan.

The position regarding weighbridges planned for and actually installed in each of the first 3 years of the Fifth Plan is as follows :—

Railways	1974-75		1975-76		1976-77	
	Planned	Installed	Planned	Installed	Planned	Installed
Central	—	—	—	—	—	—
Eastern	3	—	—	—	—	—
Northern	—	—	—	—	1	—
N.E.	—	—	—	—	—	—
N.F.	—	—	—	—	—	—
Southern	—	—	—	—	2	—
S.C.	—	—	—	—	3	—
S.E.	—	—	—	—	—	—
Western	—	—	—	—	—	—

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC) 4227
Vol.II dated 23-11-1976].

Comments of the Committee

Pl. see Comments against S. No. 47.

Recommendation (S. No. 47, Para No. 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.

Reply of Government

The matter has been taken up with the Ministry of Energy, as suggested.

[Ministry of Railways (Railway Board) O.M. No. 75-B(RCC)-4227 dt. 22-9-76]

Further information called for by the Committee

It has been stated that the question of encouraging the colliery owners (now Coal India Ltd.) to provide weighbridges at their own cost, has been taken up with the Ministry of Energy. Please indicate the outcome thereof and the progress made in augmenting the weighing facilities.

Reply of Government

The Ministry of Energy have intimated that Coal India Ltd., have taken action to instal weighbridges at important coal loading points over the Indian Railways. 27 weighbridges are already available at important coal loading points. 15 more weighbridges are under installation. In addition, plans are afoot to instal 32 weighbridges at various coal loading points.

[Ministry of Railways (Railway Board) O.M. No. 75-B(RCC)-4227/Vol.II dt. 23-11-76]

Latest position with regard to the progress made in the matter of weigh-bridges at major coal loading points.

Reply of Government

As brought out in the reply to recommendation No. 46 in para 3.82 of the Eighth Report of the Railway Convention Committee, 1973 on Railways' Fourth and Fifth Five Year Plans and other Ancillary Matters, the policy of the Railways is to encourage installation of weigh-bridges by the colliery who are offered rebate in weighment by way of incentive. Railways also provide weigh-bridges at booking points wherever justification exists, on a programmed basis.

The procurement of weigh-bridges is planned on an overall basis taking into account all the requirements including that of general goods, coal loading points, departmental requirements etc. The final location of the weigh-bridges so procured is decided with reference to the position obtaining at the time of installation of weigh-bridges.

In this background no additional weigh-bridges on Railway account have been installed on the Railways as indicated in the supplementary information furnished to the Committee. The position of the Eastern Railway is awaited. However, it may be stated that the collieries themselves in a number of cases, have procured weigh-bridges for installation in the colliery sidings.

The up-to-date position in regard to the number of coal loading points where weigh-bridges

- (1) have been installed by the colliers themselves;
- (2) have been installed by the Railway;
- (3) are in the process of installation either by the Railways or by the colliers; and
- (4) have been planned.

is being collected and would be furnished to the Committee.

[Ministry of Railways (Railway Board) O.M. No. 77-B(RCC)-4229
dated 15th December 77]

Comments of the Committee

The Committee regret that no progress has been made during the last about 4 years in the installation of weigh-bridges programmed by the Railways. Upto-date information with regard to the number of weigh-bridges actually installed by the colliery owners at their own cost or those programmed to be installed either by the railways or by the colliery owners, has also not been furnished to the Committee.*

The Committee attach great importance to the provision of weigh-bridges at major coal loading points in the interest of the public sector as not only the producers of coal belong to this sector but substantial quantity of coal is consumed by units in the public sector and is transported by the Railways. The Committee stress that there should be the closest coordination between the Railways and the Coal India Ltd. in this behalf so that weigh-bridges are installed and operated at major coal loading points within the next two years.

Recommendation (S. Nos. 68—70, Para Nos. 4.21—4.23)

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

*Note : At the stage of printing of the Report, the following further information has been furnished by the Ministry *vide* their O.M. No. 77-B-(RCC)-4229 dated 8th February, 1978.

“A Statement showing the up-to-date position in regard to the number of coal loading points and the number of weighbridges provided by the railways and the collieries is enclosed.

One weighbridge has been planned for in 1977-78 over the Eastern Railway on Railway's account. The collieries, themselves have also planned for two weighbridges during the year on Eastern Railway. Proposals are also under examination for installation of 16 weighbridges on the South-Eastern Railway and 6 on the Central Railway by the collieries. The collieries have also planned for provision of nine weighbridges in the sixth plan on the South-Eastern Railway.”

Statement showing the up-to-date position in regard to the number of Coal loading points and the number of weighbridges provided on Railways account and private account

Name of Railway	Number of Coal loading points	Number of Stations serving the coal loading points	Number of weighbridges provided by Railway	Number of weighbridges provided by Private parties
Eastern	548	26	21	20
South-Eastern	141	11	9	3
Central	26	5	3	2
South-Central	9	5	1	6
TOTAL	724	47	34	31

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.

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

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 breakeven point. The Committee need hardly add that wherever facility is withdrawn, priority should be given to provide additional second class/sleeper coaches on trains where there is heavy over-crowding.

Reply of Government

The observations of the Committee have been noted.

2. The occupation of Air-conditioned First class and Air-conditioned Chair Car coaches provided on all trains including A.C. Express and Rajdhani Express trains is closely watched. Wherever the utilisation is not adequate, the composition of the train is changed suitably to cater to the needs of traffic. The higher class coaches thus withdrawn are replaced generally by second class coaches.

3. With effect from 1-5-1976, the rail fares for Air-conditioned First class and Air-conditioned Chair Car have been reduced on all trains including Rajdhani Express trains. With this reduction in fares, the traffic in these classes has been picking up. However, railways have been asked to keep a close watch on the occupancy ratio of A.C. First class and Chair Car accommodation on all long distance trains.

[Ministry of Railways (Railway Board) O.M. No. 75-B(RCC)-4227
dt. 22-9-76].

Further information called for by the Committee

Please indicate specifically the extent of improvement in the occupancy of AC First Class and Chair Cars of various long-distance trains (train-wise) since the revised fares became effective w.e.f. 1-5-76.

Reply of Government

With effect from 1-5-1976, the rail fares for Air-conditioned First class and Air-conditioned Chair Car have been reduced on all trains including Rajdhani Express trains. With this reduction in fares, the traffic in these classes has been picking up. A statement showing occupation in AC first class and AC Chair Cars of various long distance trains after the revision of fares as compared to occupation figures before revision of fares is attached.

[Ministry of Railways (Railway Board) O.M. No. 75-B(RCC)-4227
dt. 23-11-76]

Comments of the Committee

The Committee are concerned to note from the statement furnished by the Ministry that the occupancy in AC Class provided on 1 Dn/2 Up AT Mail and 79 Up/80 DN Tai Express was as low as 17-44% and 27-31% respectively during June, 1976. The Committee have no doubt that the matter will be gone into in depth by the Railways so as not to retain the services which do not serve the public interest and are also unnecessary. The capacity thus released could well be put to effective use by making available additional accommodation in Second Class.

Statement showing occupation of ACC accommodation on important trains (Trunk routes) before and after the reduction in AC fares
w.e.f. 1-3-1976.

S. No.	Train No.	Percentage occupation					
		Before revision of fares		After revision of fares		May, 1976	June, 1976
		Feb., 1976	March, 1976	April, 1976	May, 1976		
1.	101/102 Rajdhani Express	69—61	46—66	73—67	94	91—96	92—100
2.	81/103 Up-82/104 Dn. A.C. Express	62—65	63—64	73—70	74—80	75—94	69—72
3.	1 Up/2 Dn Howrah-Delhi-Kalka Mail	54—62	49—77	54—65	73—80	77—80	51—82
4.	151 Dn/152 Up Rajdhani Express	46—49	57—70	53	96—100	90—97	85—99
5.	3 Dn/4 Up Frontier Mail	53—74	67—75	78	80—88	79—93	77—80
6.	25 Dn/26 Up A.C. Paschim Exp.	68—73	57—78	84	88—91	67—94	71—79
7.	5 Dn/6 Up. Punjab Mail	33—34	48—65	47—66	52—84	74	75—76
8.	15 Dn/16 Up AC/G.T. Express	64—65	57—58	59—70	86—95	71—90	78—80
9.	1 Dn/2 Up Bombay-Calcutta Mail via Nagpur	74—93	59—77	69—82	74—87	83—89	68—75
10.	3 Up/4 Dn. Howrah-Bombay Mail via Allahabad	57—76	53—65	56—70	72—85	70—80	77—82
11.	3 Up/4 Dn. Howrah-Bombay Mail	68—88	78—88	73—100	90—93	83—93	74—88
12.	1 Dn/2 Up. A.T. Mail	13—33	13—27	23—34	22—41	17—44	20—34
13.	79 Up/80 Dn. Taj Express	21—23	26—27	24—25	32	27—31	31—33
14.	29 Up/40 Dn. Lucknow Mail	89	81	86	89	95	93
15.	201/202 Delhi-Ahmedabad Mail	45	33	40	61	63	53
Occupation in A.C. Chair Car							
1.	101 Up/102 Dn. Rajdhani Express	89—99	75—81	78—79	100	100	99—100
2.	81/103 Up 82/104 Dn A.C. Express	67	54—60	42—54	90—98	96—100	70—85
3.	151 Dn/152 Up Rajdhani Express	90—100	72—94	79	100	100	85—100
4.	25 Dn/26 Up A.C. Express	100	92	68	96—100	98—100	68—98
5.	15 Dn/6 Up A.C. Express	69	21	66—100	98—100	95—99	61—100

Recommendation (S. No. 74, Para No. 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.

Reply of Government

The present position in regard to various M.T. Projects is indicated below :—

BOMBAY. The cost of the Bombay's Corridor Six scheme was estimated at Rs. 90.86 crores in the techno-economic feasibility report (1972). The final location survey of this line had been completed at the end of 1974-75. The revised cost of the scheme at 1973-74 prices came to Rs. 159 crores and the scheme will take nine years to construct when implemented in two phases. Its first phase only *i.e.* Raoli Jn—Fort Market line costing Rs. 67 crores had been included in the 1975-76 budget with a token provision of Rs. 35 lakhs so that its construction if approved could be taken up late in the year.

The Railway Board's recommendation for taking up the Phase I construction work has been submitted to the Planning Commission in January 1975. A technical committee had, however, been set up by the Planning Commission in August '75 to examine the scope of the Bombay suburban railways optimisation scheme *vis-a-vis* the proposed Raoli Jn—Fort Market line. The Committee's report will be available after further data have been collected and studied.

DELHI. The techno-economic feasibility studies for a rail based Mass Rapid Transit System for Delhi have since been completed and the Government are yet to take a view on the modified schemes proposed by this Ministry and recommended to the Planning Commission. Only after the Government have taken a decision on the Project against background of difficult resources position, the next stage of the work *i.e.* for detailed designing and planning of priority corridors can be considered. Provision had been kept in the 1975-76 budget for this work.

MADRAS. As a result of feasibility studies carried out by the MTP(R) Organisation, the alignment of a Rapid Transit line on the North-South (Eastern) Corridor has been determined. The alternative lines selected have been designated as the initial system and the recommended system is an underground rapid transit line 16.4 kms. in length along the canal and street and estimated to cost Rs. 173.3 crores to be executed in two stages, the first stage cost being Rs. 117 crores for a length of 11.30 kms.

The Project Report after examination in the Ministry of Railways has been forwarded to the Planning Commission with the Railway Board's comments and recommendations thereon in favour of the Report's alternative overground system along the canal whose first stage construction would cost Rs. 80 crores for a length of about 9 km. The Board have recommended the taking up of the work relating to the planning and detailed designing of the North-South (Eastern) Corridor at a cost of Rs. 1.0 crores for which budget provisions have been made.

The Planning Commission have desired to examine the report of the Delhi School of Architecture and Planning, who have been appointed to report on the moderation done by the M.T.P. (R) Organisation, of the traffic projections of the State Traffic Cell. The report is expected in April '76.

CALCUTTA. The Metropolitan Transport Project Organisation Calcutta submitted the Project Report to the Railway Board in October 1971 and recommended the construction of an electrified (750 V & DC on a third rail) 16.7 kms. underground Rapid Transit line between Dum-Dum and Tollyganj. Government approved the Project in March 1972 at an estimated cost of Rs. 140 crores. Based on 1973-74 level of prices and the system design so far finalised the Project cost was reviewed to Rs. 250 crores.

The actual construction work which started in the latter half of 1973 is in progress and the overall progress upto January 1976 is 8.5%. The work on this project is progressing at a pace commensurate with the modest annual outlays as are being possible to be provided under the present constraint of resources and on the basis of the inter-se priorities among the projects in various sectors.

[Ministry of Railways (Railway Board) O.M. No. 75-B(RCC)-4227
dt. 22-9-76]

Comments of the Committee

Please see comments against S. No. 130.

Recommendation (S. Nos. 75 and 76, Para Nos. 4.36 and 4.37)

In paragraphs 9 & 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 terms 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."

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.

Reply of Government

The Techno-economic feasibility reports on the proposed schemes of Mass Rapid Transit Systems in the cities of Bombay, Delhi and Madras have since been received by the Railway Board from the respective M.T.P. (R) Organisations. It may be recalled that the traffic studies carried out by the State authorities were the basis of justification for the identified mass transit systems.

2. After due scrutiny and examination of these projects the comments and recommendations of the Ministry of Railways on these reports have been furnished from time to time to the Planning Commission, who have been requested to concur to the taking up of the next stage of planning and designing of the priority corridors in each of the cities of Delhi and Madras and of the construction of a part corridor in Bombay.

3. A mass transit system is an extremely high cost solution to a difficult traffic problem related to urban planning and growth targets. The existing mass transport systems should, therefore, be optimised first to the extent possible and its likely impact on the urban development determined carefully for each city, before any decision to go ahead with the costly long term schemes should be taken.

4. The feasibility of funding of the Rapid Transit Schemes under the current resources strain has also posed a serious problem. A balanced view of the capacities of the existing mass transport system, the moderation of the traffic generation likely to be achieved by the review of planning strategy, the inter-se-priorities between the competing demands for plan resources is, therefore, required to be reached by the Government at the earliest.

5. The decision of the Planning Commission who are already seized of the problem, is awaited.

6. It may be pointed out that while planning is proceeding for the major metropolitan cities it is increasingly becoming evident that the country is finding difficult to allocate adequate resources even for limited schemes in the principal metropolises leave alone the question of other metropolitan town and cities. Moreover, considering other developmental needs including that of expanding the regular railway net work, the claims for resources is expanding so fast that questions are being raised as to why priority at all should be given to Metropolitan Transport development scheme of this magnitude.

[Ministry of Railways (Railway Board) O.M. No. 75-B/RCC-4227 dt. 22-9-76]

Comments of the Committee
Pl. see Comments against S. No. 130

Recommendation (S. Nos. 86—88, Paras Nos. 5.49—5.51)

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.

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.”

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.

Reply of Government

The observations of the Committee are noted. The study is in progress. The methodology followed in the study and the findings thereof would be advised to the Committee as desired.

As regards the observations of the Public Accounts Committee for basing the assessment of wagon requirement on the best performance, it may be stated that the various factors which prevented the use of such norms were explained to the Public Accounts Committee. It was briefly clarified that any norms for best performance were workable only if other things like pattern of traffic, conditions of working and the detention to wagons at terminals remain uniform. Apart from the lead of traffic which directly affects turn-round of wagons, the pattern of traffic itself is continuously changing due to growing industrialization, dispersal of industries, concentration of agricultural surplus in the North, the extent of foodgrain imports etc. The setting up and expansion of large industrial units like steel plants and development of ports have also an important bearing on the efficiency of wagon utilization. Similarly, the overall conditions of law and order in the country as a whole, as well as the industrial relations situation on the Railways and the major industrial units, have also to be taken into account.

In view of these constraints and the changing conditions of working, it is evident that it would not be realistic for the Railways to work to the norms based on the previous best performance as suggested in the observations of the Public Accounts Committee.

However, as indicated above, the methodology adopted for the study would be advised to the Committee as desired.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976]

Comments of the Committee

Please See Chapter I for comments.

Recommendation (S. No. 106, Para No. 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.

Reply of Government

1974-75 was the first year of the Fifth Five Year Plan. The Railways Budget presented to Parliament in February, 1974, had envisaged that during the year, Railways would lift 217 million tonnes of freight traffic. However on account of the country wide strike of railwaymen in May, 1974, and its after effects in the earlier part of the year itself, it became apparent that it would not be possible to achieve this target. It was in this background that the supplementary Railway Budget presented to Parliament in September, 1974, revised the freight traffic anticipations to 197 million tonnes. Against this, the actual materialisation during the year was 196.6 million tonnes. In fact, as per the latest anticipations, freight traffic during 1975-76 may be 17 to 20 million tonnes higher than in 1974-75.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dated 22-9-1976].

Comments of the Committee

Please see Chapter I for comments.

Recommendation (S. Nos. 110 and 111, Para Nos. 6.27 and 6.28)

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 kilometers 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.

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 more 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 workload expected from them."

Reply of Government

Observations of the Committee are noted. It may however, be brought to the notice of the Committee that the actual lead which was 662 kms. in 1973-74, the last year of the Fourth Five Year Plan has increased to 686 kms. in 1974-75, the first year of the Fifth Five Year Plan.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC) 4227 dt. 22-9-1976].

Further information called for by the Committee

Please state if the increase in lead in 1974-75 over 1973-74 has been brought to the notice of the Planning Commission so that the targets for the Fifth Plan are fixed on a realistic basis and, if so, with what results.

Reply of Government

The increase in the lead in 1974-75 over 1973-74 has been brought to the notice of the Planning Commission. The Planning Commission have advised that they would keep in view the trends regarding average lead of traffic while periodically reviewing the traffic targets at the time of exercises connected with Railways' Annual Plans.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227/ Vol. II dt. 23-11-76].

Comments of the Committee

Please see Chapter I for Comments.

Recommendation (S. No. 112, Para No. 6.29)

The Committee regret to note that the factors which have inhibited the Railways from planning realistically in the preceding five years 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 directions/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.

Reply of Government

The observations of the Committee are being brought to the notice of the Planning Commission. It may, however, be mentioned that the traffic targets are reviewed in detail every year in consultation with the concerned Ministries and the Planning Commission at the time of formulation of Annual plans keeping in view the latest developments. These reviews help in ensuring that the additional investments to be made are based on a realistic appraisal of traffic growth. Investments in line capacity works are undertaken after detailed traffic justification and appreciation of likely financial returns.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC) 4227 dt. 22-9-76].

Comments of the Committee

Please see Chapter I for comments.

Recommendation (S. No. 113, Para No. 6.39)

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 seems 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 up to 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.

Reply of Government

Observations of the Committee are being brought to the notice of the Planning Commission.

2. It may, however, be mentioned that it is not correct to say that at the end of the Fourth Plan the Railways had built up a capacity to carry 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 NTKMs. As was explained to the Committee earlier also, while the target of lifting freight traffic was fixed as 240.5 million tonnes at the time of mid-term appraisal of the Fourth Plan, provision of resources in the Plan was made for 235 million tonnes of traffic with an average lead of 630 kms. Thus if all the inputs in terms of rolling stock etc. had been put into the system as envisaged in the Plan, the total transport capacity that would have become available would have been for lifting 235 million tonnes at an average lead of 630 kms. equivalent to 148 billion NTKMs. In actual fact there was substantial shortfall in the receipt of rolling stock during the Plan vis-a-vis the target as will be seen from the following table and as such the capacity envisaged did not get created :

	As provided in the Plan	Actually received	Short-fall
Locomotives			
Electric	300	206	94
Diesel	708	597	111
Wagons (in terms of 4-wheelers)	68776	57608	11168

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC) 4227 dt. 22-9-76].

Further information called for by the Committee

Please furnish a factual statement (year-wise) since the last year of the Fourth Plan regarding the transport capacity built up by the Railways. Also please explain the basis and rationale thereof.

Reply of Government

No specific study to determine the transport capacity built up by the Railways since the Fourth Plan, has been undertaken. The results of the specific study undertaken to determine the capacity (in terms of rolling

stock) at the end of the Fourth Plan have been already indicated to the Committee in reply to Recommendation No. 19.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227/
Vol. II dt. 23-11-76].

Comments of the Committee

Please see Chapter I for comments.

Recommendation (S. No. 115, Para No. 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 the 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.

Reply of Government

The recommendation of the Committee is being brought to the notice of Planning Commission and the Ministry of Energy (Department of Coal) and the latter requested to initiate action on the constitution of a Task Force.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227
dt. 22-9-76].

Further information called for by the Committee

- (a) Please indicate whether the information regarding direction-wise movement pattern of coal has been furnished by the Ministry of Energy to the Ministry of Railways.
- (b) Also please state the latest position in regard to the constitution of the Task Force regarding coal production and movement requirements.

Reply of Government

The observations of the Committee were referred to the Ministry of Energy (Department of Coal). Detailed information regarding direction-wise movement pattern of coal has not been furnished by the Ministry of Energy to the Ministry of Railways. As regards setting up of a Task Force recommended by the Committee, the Ministry of Energy (Department of Coal) have advised that the target of coal production and movement during the Fifth Five Year Plan has undergone change in view of the discussions held for finalisation of the Fifth Five Year Plan. In view of this, the question of setting up the proposed Task Force by the Department of Coal, as recommended by the Committee, would have to be thoroughly examined by the Department of Coal, keeping in view the changed circumstances. The final decision in this regard will take some time. The position will be indicated to the Committee as soon as final reply from the Ministry of Energy (Department of Coal) is received.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227/
Vol. II dated 23-11-76].

Comments of the Committee

Please see Chapter I for comments.

Recommendation (S. No. 125, Para No. 6.72)

The Committee observe that an increase of 173 per cent is expected in fertiliser 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 fertiliser 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-destinationwise studies should be undertaken and firm linkages established expeditiously in the interest of rationalisation of movement of traffic right from the beginning.

Reply of Government

Attention of the Committee is invited to the comments given on Recommendation No. 60. The Railways' Draft Fifth Plan envisages that the loading of fertilisers would be 15 million tonnes by 1978-79. This is based upon the estimates furnished by the concerned Ministry and accepted by the Planning Commission. However, the observations of the Committee are being brought to the notice of the Planning Commission and the Ministry of Agriculture and Irrigation for further action.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227
dt. 22-9-76].

Comments of the Committee

Please see Chapter I for comments.

Recommendation (S. No. 130, Para No. 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 the 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 five minutes service on each corridor of the Central Railway suburban section is under consideration. The Committee would like integrated plan 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.

Reply of Government

Observations made by the Committee are noted. The quadrupling of Grant-Road-Churchgate section on the Western Railway has already been commissioned. Action is also being taken to progressively implement Phase I of optimisation on the Central Railway. Further phases of optimisation in Bombay area are proposed to be taken up after the implementation of MTP Corridor VI for Bombay for which the clearance of the Planning Commission has been sought.

As regards Bangalore, Kanpur, Ahmedabad, Hyderabad and Pune, the Planning Commission had tentatively considered the undertaking of surveys/investigations for suburban/intra urban transport in these cities in the draft fifth plan. However, due to the current resources constraint it appears unlikely that these will come through in the near future.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227
dt. 22-9-76].

Comments of the Committee

While the Committee are fully aware of the problem of constraint of resources and the competing demands for development, they feel that in the interest of avoiding unhealthy conditions and growth of unseemly slums, it is imperative that decisions are taken in principle on the traffic facilities which are to be provided in the four metropolitan cities of Delhi, Bombay, Calcutta and Madras. Subject to availability of funds, advance action should be taken to earmark and acquire land as necessary so that the approved schemes for mass rapid transit systems are implemented in due course as per approved programmes. The Committee apprehend that with the efflux of time, the problem is likely to become more complex and defy an easy and early solution, as pressure on land and space in these cities is growing at a phenomenal rate every day.

The Committee also feel that Government should initiate detailed studies in coordination and consultation with State authorities and all others concerned so that rational transport facilities for meeting the requirements in capital cities and other large towns of the States are taken in hand. The Committee need hardly stress that it is only in the context of perspective

plans that appropriate decisions and advance action can be taken about earmarking and acquiring land to implement the plans for transport facilities. The Committee would like the Planning Commission to give the requisite lead in this behalf.

The Committee would like the Ministry of Railways and the Planning Commission to mention specifically in their Annual Reports the progress made in preparing and executing the schemes for Mass Rapid Transit Systems in the metropolitan towns and other capital cities.

Recommendation (S. No. 137, Para No. 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.

Reply of Government

The comments under recommendations 86 to 88 may kindly be referred to.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dt. 22-9-76].

Comments of the Committee

Please see Chapter 1 for comments.

Recommendation (S. Nos. 138—140, Paras No. 6.119—6.121)

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 Account 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 12 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.”

Again in para 1.72 of their 120th Report (Fifth Lok Sabha—1973-74) the PAC 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 charted capacity as a signal for augmenting it. In view of over-capitalisation on Railways and the need to examine 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."

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.

Reply of Government

Observations of the Committee are noted. It may however be mentioned that as per the extent orders financial implications of all the line capacity works are worked out and critically examined before any work is approved and executed. For all the new works costing Rs. 50 lakhs and more detailed traffic surveys are carried out before the works are included by the Zonal Railways in their Annual Works Programme, and these proposals of the Railways are later examined and discussed at the Railway Board level, while finalising the Works Programme of the Railways. Further the progress of the works is watched through the system of monthly/quarterly progress reports received from the Zonal Railways and the execution of work is accelerated or slowed down taking into account the actual build up of traffic as also the latest development in different sectors of economy, the traffic anticipation from which had warranted the line capacity works. Priorities for new works are decided on the basis of demands of various users and capacity needs in different areas.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dt. 22-9-76].

Comments of the Committee

Please see Chapter I for comments.

Recommendation (S. No. 145, Para No. 7.28)

The Committee note that the wagon turn-round represents the interval between two successive loadings of 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 figure.

Reply of Government

This is an observation. The broad reasons which led to the increase in the turn-round of wagons during the last few years have been furnished to the Committee with reference to item No. 51(a) and 52 of their questionnaire of Railways' 4th and 5th Five Year Plans and other ancillary matters.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dt. 22-9-76].

Comments of the Committee

Please see comments against S. No. 148.

Recommendation (S. Nos. 146 and 147, Para Nos. 7.29 and 7.30)

The Committee note that wagon turn-round is not the only conclusive index of wagon utilisation and that other factors such as the load 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, 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.

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.

Reply of Government

The Committee have inter-alia observed that the deterioration in the turn-round of wagons 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. In this connection it

is stated that while it is true that there has been deterioration in the turn-round of wagons in the past few years for reasons already explained to the Committee, nevertheless it would not be correct to compare the performance of a particular year only with respect to turn-round or any other single index without correlating it to other related indices. For a proper appreciation of the position, important indices relating to quantum of traffic moved *vis-a-vis* other relevant efficiency indicators are given below :—

		1960-61	1965-66	1970-71	1972-73	1973-74	1974-75
1	2	2	3	4	5	6	7
1.	Revenue earning traffic (in million tonnes) .	119.8	162	167.9	175.3	162.1	173.6
2.	Total Traffic (in million tonnes) .	156.2	203	196.4	201.3	184.9	196.6
3.	Average Lead (in Kms.) .	561	576	648	678	662	686
4.	Net tonnes Kms. in revenue earning traffic (in million) .	72333	98778	110696	121164	109391	121374
5.	Net tonnes Kms. of total traffic (in million) .	87680	116936	127358	136531	122354	134837
6.	Net tonnes Kms. (in million) per route Km. per annum .	2.76	3.40	3.61	3.80	3.42	3.79
7.	Net tonnes Kms. per goods locomotive in use (BG)	65011	75762	85083	90496	83265	90713
8.	Speed of goods trains in Kms. BG & MG .	16.1 13.7	16.4 14.0	17.9 14.7	18.0 15.2	18.3 15.5	18.4 15.2
9.	Wagon turnround (in days) BG & MG .	11.5 8.3	11.8 8.4	13.3 10.1	13.5 10.8	15.0 12.5	14.6 12.0

It would be seen from the foregoing that the quantum of traffic carried and the efficiency of performance during the year 1972-73 (the penultimate year of the 4th Plan) have shown marked improvement over 1960-61 (the end of the Second Plan) and also 1965-66 (the end of the III Plan), the percentage increase in revenue-earning traffic in 1972-73 being of the order of about 45% as compared to 1960-61. It may also be mentioned that revenue traffic carried in 1972-73 was the highest in any year.

The average lead of traffic on the Railways too has increased considerably, having risen from 561 Kms. in 1960-61 and 576 Kms. in 1965-66 to 678 Kms. in 1972-73 and 686 Kms. in 1974-75, which figure is an all time record. There has been a significant improvement in the figure of net tonne Kms. moved which is a more comprehensive measure of rail transport. In 1972-73, the Railways achieved an output of 13,563 million tonne Kms. as compared to 87,680 m. tonne Kms. in 1960-61 and 116,936 m. tonne

Kms. in 1965-66. Similarly, there has been an improvement in loco utilisation also. There has been improvement in the average speed of goods trains both on BG and MG. It may be mentioned that all these improvements in railway operation have been made possible only because of the intensive utilisation of the assets such as diesels/electric locos, signalling and tele-communication facilities, line capacity etc.

With progressive return of normal working conditions on the Railways after the All India Railwaymen's strike in May 1974 and the fillip received to the improving trends on the Railways after the declaration of the Emergency in June, 1975, the wagon turn-round too has shown an improvement as would be seen from the figures given below :—

Year	Wagon turn-round (days)	
	B.G.	N.G.
1973-74	15.60	12.5
1974-75	14.6	12.0
April 1975	13.8	11.5
May 1975	14.2	12.6
June 1975	14.6	13.1
July 1975	14.1	12.7
August 1975	13.9	12.0
September 1975	13.5	11.9
October	13.9	12.1
November 1975	13.5	11.8
December	13.0	11.0
January 1976	12.9	10.5

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dt. 22-9-76].

Comments of the Committee

Please see comments against S. No. 148.

Recommendation (S. No. 148, Para No. 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.

Reply of Government

This is an observation. There can be no denying the fact that there is scope for improvement in the turnaround of wagons.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dated 22-9-1976].

Comments of the Committee

The Committee note that the wagon turn-round showed only a marginal deterioration in 1972-73 compared to 1970-71 even though the revenue

earning traffic was about 8 million tonnes more and the average lead also increased by 30 kms. in that year. In the subsequent two years, however, there was a perceptible deterioration in the performance.

The fact that it has been possible for the Railways to improve the wagon turn-round both on the B.G. and the M.G. in the post emergency period, goes to show that the increase in traffic as well as in the lead thereof, need not adversely affect the turn-round of wagons provided the resources and manpower available are efficiently utilised.

Recommendation (S. No. 149, Para No. 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, fertilizer, 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.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dt. 22-9-76].

Reply of Government

The observations of the Committee are noted.

Comments of the Committee

Please see Chapter I for comments.

Recommendation (S. No. 150, Para No. 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.

Reply of Government

The observations of the Committee are noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B (RCC)-4227 dt. 22-9-1976].

Comments of the Committee

Please see Chapter I for comments.

Recommendation (S. No. 160, Para No. 7.63)

The Committee observe that the Indian Institute of Management, Ahmedabad have made an extensive 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 operations 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."

Reply of Government

The observations of the Committee have been noted.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227 dt. 22-9-76].

Comments of the Committee

Please see Comments against S. No. 162.

Recommendation (S. No. 162, Para No. 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 in 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.

Reply of Government

The recommendations made by the Indian Institute of Management, Ahmedabad fall under the following three broad categories :—

- (a) Restructuring of the Marketing & Sales Organisation and recruitment & training of marketing personnel for effective marketing and sales promotion;
- (b) Adoption of marketing strategies for combating road competition; and
- (c) Revision of the priority system and ensuring guaranteed supply of wagons for high profit yielding commodities.

The recommendations falling under category (a) above mainly relate to creation of additional posts, gazetted as well as non-gazetted, both in the zonal headquarters and divisional offices, involving sizeable additional expenditure. In view of the present need to observe strict economy in expenditure, it has been decided that the question of creating additional posts, as envisaged by the Institute should pend till the financial position of the

Railways improve. Nevertheless, with a view to giving the requisite thrust and direction to the marketing organisation, the posts of Marketing & Sales Superintendents on five major Railways have been raised to the level of Head of Department. The Railway Administrations have also been directed to reorganise the set-up by suitable re-allocation, combination and adjustment of duties amongst the officers and staff of the Commercial and Transportation departments, to help intensify the marketing and sales activities aimed at greater customer satisfaction. The Marketing & Sales officers have also been asked to shed any non-marketing functions they may be performing so that they and their organisation are relieved of all distractions coming in the way of their marketing activities.

The recommendations falling under category (b) also largely depend upon restructuring the Marketing & Sales organisation involving additional recruitment and training of personnel. A systematic assessment of total freight business, assessment of the business strategies followed by the competitor, preparation of operational plans etc. call for additional staff exclusively engaged in this work. Non-availability of additional hands however has not been allowed to affect the adoption of marketing strategies for combating road competition. Introduction and expansion of containerised traffic and traffic from the freight forwarders, apart from upgradation of priorities for commodities having a high profit yielding character, guaranteed supply of wagons at nominated stations and for certain specified commodities, doing away with the need of depositing the wagon registration fee for certain high profit yielding commodities etc. are steps already taken to counteract the competition from road.

As regards the recommendations falling under category (c), action had been initiated on the lines suggested by the Institute, even before submission of their report and the priority of movement of several profit yielding commodities has already been upgraded. Proposals for similar upgradation of the priority of some more commodities are under active consideration. In addition, as pointed out in the preceding paragraph, certain specified high profit yielding commodities and also certain important stations have been declared completely free from the purview of operating restrictions and quota limitations, thus ensuring guaranteed supply of wagons and expeditious clearance of traffic.

Thus, the Railways are keenly alive to the problem of attracting and sustaining more goods traffic and continuous efforts are being made to win back traffic lost to road, by paying special attention to the various customer-oriented services introduced by the Railways.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227/dt. 22-9-76].

Further information called for by the Committee

Please furnish a note showing the achievements of the Marketing & Sales Organisation as a result of the various measures taken to streamline this organisation.

Reply of Government

The Railways have set up Marketing & Sales Organisation on all zonal railways in 1967. The functions of this organisation are to conduct market

research for prospecting and development of traffic, canvassing additional traffic for railways, studying the pattern, and movement of traffic by rail and by road, maintaining close liaison with trade & industry to meet their requirements ascertaining their difficulties to provide necessary assistance to meet their transport needs specially through customer-oriented services. To make the marketing organisation more effective the posts of Marketing & Sales Supdts. (Junior Administrative grade) were upgraded to level II Addl. Chief Comml. Supdts. (Marketing & Sales) in June 1974 and further raised to level I in March, 1975 on certain railways.

2. Railways are laying special stress on customer oriented services and trying to sustain and augment traffic by giving better service to customers. Some of the results achieved are indicated below :

(a) *Loading of High Profit Yielding Commodities* : Broadly the commodities classified as class 60 and above are termed high rated, but it is not the classification alone which determines the intrinsic profitability of a commodity in relation to its cost of haulage. The Profitability of a commodity also greatly depends on its loadability in a wagon and the lead for which it is to be carried and its vulnerability to claims compensation. Having regard to the cost benefit point of view the Railways have identified 78 commodities which are high profit yielding. These commodities cover a wide range and include products like coffee, tea, cement, ground-nut, leather goods, wool, vegetable oils, paints and varnishes, electrical goods, cotton, jute and alcoholic beverages etc.

Loading of these high profit yielding commodities has recorded an increase of 8.7% and an increase in earning to the tune of 17.6% in 1975-76 as compared to the performance in 1974-75. During 1976-77 (up to Aug.) the increase in loading and earnings from these commodities have been of the order of 6.8% and 14.4% respectively as compared to the performance during the corresponding period of the year 1975-76. This can be seen from the following table :

(Figures in thousand

	1974-75	1975-76	1975-76 (upto Aug.)	1976-77 (up to Aug.)	% variation 1975-76 over 1974-75	% variation 1976-77 over 1975-76 (up to Aug.)
Tonnage . . .	12404	13482	5111	5461	+8.7	+6.8
Earnings . . .	Rs. 1302883	Rs. 1531716	Rs. 591072	Rs. 676051	+17.6	+14.4

(b) *Container Services* : This service provides an integrated inter-modal door-to-door service practically free from delays and damages. This service combines the advantages of road and rail transport and also has enabled the customers considerable economy in the cost of packaging. The goods are booked at the premises of the consignors in these containers which are hauled by the Railway's own specially designed road vehicles, taken to the rail head where the containers are then transferred to specially designed railway wagons. At the destinations again, these containers are taken on road vehicles to the consignees premises for delivery. This service, started in February 1966 has become popular and from a small be-

ginning made in 1966-67 when 1846 containers were loaded yielding a revenue of Rs. 3.68 lakhs, during 1975-76 the number of containers loaded was 3639 with earnings of Rs. 270.99 lakhs. The trend of loading during the current year has also been very encouraging in as much as up to August, 1976, 17447 containers have been loaded yielding revenue of Rs. 138.14 lakhs compared to 14342 containers loaded in the corresponding period of 1975-76 which gave an earning of Rs. 107.66 lakhs. In other words there has been an increase in loading up to August, 1976 by 21.1% followed by an increase of 28.3% in the earnings as compared to the corresponding period of last year as will be seen from the following table :—

	1974-75	1975-76	1975-76 (up to Aug.)	1976-77 (up to Aug.)	%age over 1975-76	Variation 1976-77 over 1975-76 (up to Aug.)
No. of containers loaded	30329	36939	14342	17447	+21.7	+21.7
Freight earned	Rs. 203.58 lakhs	Rs. 270.99 lakhs	Rs. 106.66 lakhs	Rs. 138.14 lakhs	+33.1	+28.3

(c) *Freight Forwarded Scheme* : This scheme is another form of inter-modal door to door service combining the advantages of rail and road transport. In this scheme, freight forwarders are appointed by railways to collect 'smalls' consignments and offer these as bulk to the railways to form a wagon load. At destination also, the freight forwarders arrange delivery of the goods at the premises of the individual customers. In 1976-77 (up to Aug.) 6801 wagons were loaded as compared to 4973 wagons loaded in the corresponding period of 1975-76. There was, therefore, an increase in loading by 36.8% during the current year as compared to the corresponding period of last year. The earnings also increased by 40% as compared to the corresponding period of 1975-76 as will be seen from the following table :—

1	2	3	4	5
No. of wagons loaded		1975-76 (up to Aug' 75)	1976-77 (up to Aug. 76)	%age variation in 1976- 77 over 1975-76 (up to August)
Freight earned		4973 Rs. 166.46 lakhs	6801 Rs. 233.22 lakhs	+36.8 +40.0

3. Achievements mentioned above have been brought about by the Marketing & Sales Organisation on the Indian Railways through some of the following steps :

- (a) The Railways have opened up street collection and delivery services and mobile booking services in important towns. Out-agencies have been provided in areas not served by railways.

- (b) Super Express goods trains have been introduced on major trunk routes to provide rapid transit of goods.
- (c) Under the Quick Transit Service, Railways have undertaken to deliver goods within a target time on payment of nominal surcharge of 5% of the freight which is now only realised at the destinations.
- (d) Important high profit yielding commodities susceptible to diversion to road have been exempted from the purview of operational restrictions and quota limitations. 75 goods sheds on Indian Railways have been declared guaranteed wagon supply stations and traffic booked from these goods sheds is exempt from quota limitations and operational restrictions. However, as a temporary measure, all operating restrictions and quota limitations have been done away with on Indian Railways up to 31-3-1977.
- (e) The Railways have been empowered to quote special station to station rates which are lower than the normal tariff rates in order to attract traffic.
- (f) Wagon registration fee in respect of important commodities have been waived.
- (g) Movement of block rakes has been encouraged to provide faster transit.
- (h) Certain commodities have been upgraded in preferential traffic schedule based on their profitability.

4. Claims Prevention Organisation has been re-vitalised and strengthened to minimise the incidence of claims as also to deal effectively with the claims arising out of damage or loss of goods. The movements of smalls is also being re-organised on the Indian Railways to ensure better customer satisfaction.

[Ministry of Railways (Rly. Board) O.M. No. 76-B(RCC)-4227/
Vol. II dt. 23-11-76].

Comments of the Committee

The Committee attach great importance to sustained efforts being made to attract larger and larger traffic particularly high-rated traffic to Railways on sectors where surplus capacity exists. The Committee note the efforts being made by the Railway specially through the Marketing and sales Organisation to win additional traffic. While noting the progress made in this behalf, the Committee feel that there is scope for attracting a large volume of traffic as the efficiency and the public image of the Railways have greatly improved in the recent past. The Committee need hardly stress that the expenditure incurred on the Marketing and Sales Organisation should be related to the additional traffic generated through its efforts so as to provide an inbuilt check on avoidable increase in staff and underline that this new organisation has to be judged by the additional revenue earning traffic it attracts.

CHAPTER V

RECOMMENDATION IN RESPECT OF WHICH FINAL REPLY OF GOVERNMENT IS STILL AWAITED

Recommendation (S. No. 43, Para No. 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.

Reply of Government

The matter was referred to the Department of Coal who have clarified the position as follows :

The demand for coal during the Fourth Plan was assessed by the Committee on Assessment of Demand which had appointed two sub-committees for the purpose, one for coking coal and the other for non-coking coal. These sub-committees included representatives of the Planning Commission, D.G.T.D. and the coal producers. The assessment was made for each year of the Plan for each consuming sector and it was anticipated that by the end of the Fourth Five Year Plan, the total requirement of coal would be 99.14 million tonnes. Grade-wise and sizewise assessment of the demand was not made. The industry-wise grade schedule of coal generally adopted specifies the allotment of steam coal to certain consumers like Railways, Refractories, Engineering and Foundries, Glass Potteries, Cotton Textiles, Jute etc. and for hand fired boilers in Power, Chemicals and Aluminium industries. In addition, soft coke is also manufactured almost entirely from steam coal. The requirement of steam coal would be about 60% of the total demand which is roughly the percentage of steam coal in the total production.

The demand and supply in some of the main areas of consumption of steam coal for which data could be collected are indicated below :

Consuming sector

' Estimated demand & Actual supplies

		1969- 1970	1970- 1971	1971- 1972	1972- 1973	1973- 1974
1. Railways . .	Demand	16.20	16.00	15.00	14.80	14.6
	Supplies	16.20	15.30	15.30	14.80	13.40
2. Soft Coke . .	Demand**	3.64	4.19	4.82	5.54	6.36
	Supplies	3.13	2.65	2.50	2.23	2.93
3. Cotton Mills . .	Demand	1.74	1.84	1.94	2.04	2.20
	Supplies by rail	1.74	1.45	1.64	1.83	1.78

*Regulated to actual needs.

**This demand is entirely of low grade coal whereas most of the other industries using steam coal require superior grades.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227
dt. 22-9-76]

Further information called for by the Committee

Please state if the demand projections of steam coal have been made in precise terms, industry-wise, for each year of the Fifth Plan. If so, please furnish details.

Reply of Government

The information regarding the demand projections of steam coal, industry-wise, for each year of the Fifth Plan is being collected by the Ministry of Energy (Department of Coal) from the concerned agencies, and the same will be furnished to the Committee as soon as it is received from the Ministry of Energy.

[Ministry of Railways (Rly. Board) O.M. No. 75-B(RCC)-4227/
Vol. II dt. 23-11-76]

Further information called for by the Committee

Please state if the demand projections of steam coal have been made in precise terms, industry-wise, for each year of the Fifth Plan. If so, please furnish details.

Reply of Government

The information regarding the demand objections of steam coal, industry wise, for each year of the Fifth Plan called for by the Ministry of Energy (Department of Coal) from the concerned agencies is still awaited. That Ministry has been reminded to expedite the information. The same will be furnished to the Committee as soon as it is received.

[Ministry of Railways (Rly. Board) O.M. No. 77-B(RCC)-4229/
dt. 25-10-77]

NEW DELHI

December 29, 1977

Pausa 8, 1898 (S)

KRISHAN KANT,
Chairman,
Railway Convention Committee.

APPENDIX

Analysis of the action taken by Government on the recommendations contained in the Eighth Report of the Railway Convention Committee, 1973.

I. Total No. of recommendations	163
II. Recommendations which have been accepted by Government (<i>vide</i> recommendations at Sl. Nos. 11—4, 21, 24, 26—34, 37—39, 44, 45, 48—55, 57—67, 71—73, 77—81, 83—85, 89, 91, 94, 95, 100—105, 108, 109, 114, 116—119, 121, 122, 124, 126—129, 131, 136, 141—144, 151—159, 161 and 163)	
Number	94
Percentage to total	57.7
III. Recommendations which the Committee do not desire to pursue in view of the Government's replies (<i>vide</i> recommendations at Sl. Nos. 36, 40—42, 56, 82, 90, 92, 93, 96—99, 107 and 123)	
Number	15
Percentage to total	9.2
IV. Recommendations in respect of which replies of Government have not been accepted by the Committee (<i>vide</i> recommendations at Sl. Nos. 1—10, 14—20, 22, 23, 25, 35, 46, 47, 68—70, 74—76, 86—88, 106, 110—113, 115, 120, 125, 130, 137—140, 145—150, 160 and 162).	
Number	53
Percentage to total	32.5
V. Recommendation in respect of which final reply of Government is still awaited (<i>vide</i> recommendation at Sl. No. 43)	
Number	1
Percentage to total	0.6