

FIFTY-SEVENTH REPORT
ESTIMATES COMMITTEE
(1983-84)

(SEVENTH LOK SABHA)

**MINISTRY OF RAILWAYS—TRANSPORTATION OF
PERISHABLE COMMODITIES BY RAILWAYS**



Presented to Lok Sabha on December 21, 1983.

LOK SABHA SECRETARIAT
NEW DELHI

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CORRIGENDA TO THE FIFTY SEVENTH REPORT OF
ESTIMATES COMMITTEE (7TH LOK SABHA) ON
MINISTRY OF RAILWAYS - TRANSPORTATION OF
PERISHABLE COMMODITIES BY RAILWAYS.

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1983-84

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INTRODUCTION

1. the Chairman of Estimates Committee having been authorised by the Committee to submit the Report on their behalf, present this Fifty-Seventh Report on the Ministry of Railways—Transportation of Perishable Commodities by Railways.

2. The Committee took evidence of the representatives of the Ministries of Railways and Agriculture on 31 May, 1983. The Committee wish to express their thanks to the officers of these Ministries for placing before them the material and information which they desired in connection with the examination of the subject and giving evidence before the Committee.

3. The Committee also wish to express their thanks to the representatives of the Federation of Indian Chambers of Commerce and Industry, New Delhi, for furnishing their memorandum, giving evidence and making valuable suggestions to the Committee.

4. The Committee also wish to express their thanks to other Organisations and individuals who furnished memoranda on the subject to the Committee.

5. The Report was considered and adopted by the Committee on 16 December, 1983.

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

BANSI LAL
Chairman,
Estimates Committee.

NEW DELHI;
December 19, 1983

Agrahayana 28, 1905 (S)

CHAPTER I

PRODUCTION PATTERN AND VOLUME OF TRAFFIC

1.1 Production of fruits, vegetables and flowers etc. is confined to selected areas in India due to agro-climatic reasons, whereas the consumption takes place throughout the country. This spatial discontinuity on the production front and demand for consumption from all over the country necessitates the availability of an efficient, cheap and flexible transportation system to get the goods from the producers to the consumers.

1.2 According to Rail India Technical Economic Service (RITES) Report, as referred to in the Report of the group on Perishable Agricultural Commodities (May, 1981) set up by the Ministry of Agriculture, fruit and vegetables show a predominant preference for highways. Railways and highways together carried a total of around 81 lakh tonnes of fruit and vegetables through 216 checkposts surveyed in 1978-79. Of this road's share was 91%. The average lead of fruit and vegetables in case of railways is 1557 Kms, but in the case of highways, average lead was worked out as 445 Kms. It has been observed that highways position of predominance is not affected upto a distance of 1600 Kms. For a distance beyond 1600 Kms, where railways carried greater share, the amount of commodity carried is rather negligible i. e. only 3% of the total fruit and vegetables moved, though the Railways constitute the cheapest mode of transportation for fruit and vegetables.

1.3 It was pointed out during the evidence of the representatives of the Ministry of Railways before the Committee that the facilities needed for the transport of perishable commodities were distinct from those required for most of the other commodities transported by Railways. Asked, whether the Ministry had prepared any perspective plan in this regard for implementation through inter-ministerial co-ordination, representative of the Ministry of Railways stated:-

"A group on transportation of perishable agricultural commodity was set up by the Ministry of Agriculture at the instance of the Prime Minister and they submitted a report in 1981. This was set up by the Govt. of India, Ministry of Agriculture, in which the railways was also represented. In line with their recommendations and with the recommendations of the RITES the railways are working out a perspective plan in respect of parcel traffic which the railways can handle within their resources by making available room in the brake vans, by attaching vans to fast trains wherever room permits, by organising special trains during peak season for commodities and by running parcel trains on major trunk routes where the demand is adequate. I would only add that in view of the fact that there is very heavy pressure for passenger traffic which we are unable to meet fully due to our limited resources, the question of to what extent the priority will have to be given to parcel traffic over passenger traffic requirements would have to be taken into consideration. Within our limited resources, we are making out a plan to see what best can be done."

He added :-

"These recommendations of the Group on Perishable Commodities have just come to us and we are making out a perspective plan."

1.4 Asked whether the perspective plan was in the direction of providing adequate room for perishable commodities in the long distance mail/passenger trains, the representative of the Ministry of Railways stated :-

"As far as passenger traffic on mail and express trains is concerned in the mail and express trains the room is heavily booked and the scope for parcel vans as such is limited except in a few trains like Howrah - Madras Janata. Otherwise whatever room is available in brake vans is what is available for clearance of fast parcel traffic. During seasons we organise the space for oranges, bananas, potatoes, etc. If more traffic has to be carried more satisfactorily, then in these long-distance trains we have

to put more parcel vans, but there is the competition for room with passenger coaches. For construction of new luggage vans we are giving lower priority because we are giving priority for passenger-carrying. These are our limitations."

1.5 In a memorandum furnished to the Committee, it has been stated that :-

"Perishable commodities are high rated commodities on the Railways and it would be in the interest of the Railways themselves to attract more and more traffic of perishable commodities to themselves. However, the very nature and characteristics of perishable commodities would call for a special treatment in comparison to normal freight carried by the Railways."

1.6 Asked, whether in view of the fact that perishable commodities substantially moved by road because as compared to the present rail transport, road transport for these commodities was safer, cheaper and quicker, the Minister was planning to make the rail transport of Perishable Commodities attractive, representative of the Ministry replied :-

"Perishable Commodities are not high-rated traffic and the Railways are heavily subsidising this traffic. Even after levying the surcharge, the rate charged does not cover the cost of operations. At today's cost the subsidy is to the extent of 60 to 70 percent. As per studies carried out by RITES and the planning commission, the advantage to the economy lies in road movement of these Commodities for distance upto 900 Kms. Road transport, particularly for short and medium distances, is quicker and since it provides door-to-door service, it is much safer also; also the rates charged are comparable and in some cases even slightly cheaper than what we are charging."

Regarding our Ministry's Plan, as I said earlier, we are actually making out this perspective plan which will essentially envisage improving the quality of service in respect of the type of parcel traffic which the Railways are envisaged to handle."

1.7 The Ministry of Railways were asked to furnish a statement showing volume of traffic actually handled by them in respect of perishable commodities, including seasonal fruits and vegetables *vis-a-vis* the traffic anticipated on the basis of demand. While furnishing zone-wise figures relating to volume of traffic of perishable commodities, during the years 1979 to 1981-82, the Ministry stated that the figures for quantum of traffic as anticipated on the basis of demand were not maintained by them. An analysis of these figures showed that there was no appreciable increase in movement of any of the perishable commodities in any of the regions.

1.8 Asked, whether the Ministry kept any track of the production pattern of these commodities in the production areas under various Railways, and in the absence of such an arrangement how the Ministry anticipated/assessed volume of such traffic in various railways, the representatives of the Ministry stated :—

“.....The machinery that we have, as far as keeping track of the production trend and demand is concerned, is that at the known places where such traffic is offered, we meet the associations and through them make out a movement plan depending upon the production during the current year. Based on that we assess the demand for wagons and special trains and then make the arrangement accordingly.....These meetings are held before the commencement of the seasons for that particular commodity.”

The representative of the Ministry further added :—

“The figures of production trend which we have tried to obtain from the Ministry of Agriculture are not up to date. Whatever field survey we have been able to do, they reflect that the production.....trends have been the same as in previous years....., there may be some marginal change. Our information was that some of the traffic has gone to the road.”

1.9 On the question being posed to the representative of the Ministry of Agriculture whether that Ministry was maintaining any record of the production pattern of perishable commodities, he stated :—

"In respect of horticulture, the Ministry is not maintaining information on all the crops but sum of the crops. The economic and statistics Directorate is collecting figures in respect of bananas, onions and potatoes. Other figures are also available from F.A.O."

The witness added :—

"There is a proposal to form a National Horticultural Board, which will go into the question of making proper transportation arrangements for horticultural products from one part of the country to other parts."

1.10 Asked whether the Ministry of Agriculture maintained any coordination with the Ministry of Railways/Regional Railway authorities with regard to movement of perishable commodities from the place of production to the mandis/consumption points, the representative of the Ministry of Agriculture stated :—

"Except for wheat and other foodgrains, there is no co-ordination at the level, of the Ministry. But in respect of milk movement we have been able to coordinate with the Railway Board. The National Dairy Development Board has achieved very good results. They have got 76 railway tankers for movement of milk. These tankers are attached to the passenger trains for movement of milk from one part of the country to another. It is done from Guntur to Calcutta, Bikaner to Jullundur & Delhi and Anand to Bombay & Calcutta."

1.11 Asked, whether both the Ministries agree that there was a need for creating a coordinating body in the Ministries for adequate transportation facilities having regard to production and demand in various regions, the representative of the Ministry of Agriculture stated:—

".....there is no machinery as such for having this type of coordination. But of course an effort is made towards that direction and an *ad hoc* coordination is there."

1.12 The representatives of the Ministry of Railways, however, stated :—

"In the Report of the Group on Perishable Agricultural Commodities, they have envisaged a 3-tier institutional framework. At the national level, a National Horticultural Board has been suggested to provide the needed degree of coordination and monitoring of the production and marketing of agricultural commodities. At the regional level, four Regional Horticultural Growers Cooperative Federations have been suggested. At the base level, the primary horticultural growers organisations to cover a sizeable compact area have been suggested. It is our understanding that if this institutional framework comes in, we should be able to get a kind of coordination which the Committee desires."

1.13 It is essential to ensure adequate arrangement for speedy and safe movement of horticultural and other perishable commodities in the interest of both producers and consumers. The Committee's examination of arrangement made by Railways regrettably revealed several deficiencies that persisted all along. The coordination between the concerned Ministries viz. Ministry of Agriculture and the Ministry of Railways, which is the primary requirement is by and large non-existent. Neither of these Ministries has precise and upto-date information as to production and demand for these commodities in the various regions to plan and provide for transport by rail. In fact, the railways are unaware of the traffic demand and even the Ministry of Agriculture has not been maintaining statistics in regard to horticultural crops except a few. It was only recently that a group on transportation of perishable agricultural commodities was set up by the Ministry of Agriculture associating the railways. The report of the group submitted in 1981 is still under consideration for evolving a perspective plan by the railways and setting up a National Horticultural Board as an apex body by the Ministry of Agriculture in order to make proper transportation arrangements for horticultural products. The Committee would like to know why not institutional arrangement has been thought of and proper planning done to ensure adequate, speedy and safe rail movement of perishable commodities so far.

1.14 The Committee wish to emphasise that the deficiencies in regard to collection of statistic of production and demand regionwise and arrangements for transport of perishable commodities should be removed by making such institutional arrangements as may be needed and evolving a perspective plan for putting it through without delay.

CHAPTER II

FREIGHT STRUCTURE

2.1 On the question of assignment of Classification/priority to perishable commodities the Ministry of Railways have stated in the Preliminary Material furnished to the Committee as follows:-

Classification

2.2 With effect from 1.4.1982, the scales of parcel rates have been rationalised. Perishable Commodities moving as coaching traffic are charged at Concessional Parcel rates under CP-1, CP-2 and CP-3 scales, which form 80%, 50% and 40% of the base scale, namely, GP-A Scale. Important perishable commodities chargeable under the respective scales of rate are given below:-

(a) Under Concessional Parcel Scale, CP-1

Butter
Cream
Khoa (Dried Milk)
Betel Leaves

(b) Under Concessional Parcel Scale, CP-2

*Bread	Ice
Curd	Meat, fresh
Cut Flowers	Onions
Eggs	Potatoes
Fish, fresh	Sweetmeats, Indian
Fresh Fruits of all kinds.	Yeast

(c) Under Concessional Parcel Scale CP-3

Vegetables (including Carrot, Cauliflower & Cabbage)

***Milk**

Vegetable seedling (Plants)

Fish Spawn (for rearing purposes).

***Bread and Milk are charged at the appropriate scale of rate less 10%.**

2.3 In addition, special station-to-station rates are quoted by the Railways for perishable traffic wherever justified. For example, in respect of Plantains (Bananas) traffic moving from Bhusaval Division of Central Railway, special rates have been quoted allowing 40% concession below the GP-2 scale rate and for Orange traffic moving from Nagpur Divisions of Central and South Eastern Railways, involving a concession of 15% below the GP-2 scale rate.

2.4 Fresh Fruits and Vegetables, if carried by goods trains are chargeable at class 47.5 (OR) in wagons-loads and at class 67.5 (OR) in (Smalls)

Priority

(a) Coaching/Parcel Traffic-Priority

2.5 Perishable commodities moving as coaching traffic enjoy the highest priority (even higher than the "A" priority applicable to goods traffic), as they are cleared by Passenger, Mail/Express and other Coaching trains which run according to fixed time table.

Goods Traffic-Priority

2.6 The Railways are giving due priority to the clearance of onions and potatoes. Wagons for loading of onions and potatoes are supplied under priority 'C' and 'D' of the Preferential Traffic Schedule as given below:-

- (i) Perishable traffic like onions on trade account.....'D'
- (ii) Onions when programmed and sponsored by Co-operative Societies like National Agricultural Co-operative Marketing

Federation Maharashtra State Cooperative Marketing Federation, etc., under the Price Support Scheme for agricultural produce belonging to Cooperative Societies 'C'

(iii) Potatoes.... ... 'C'

2.7 Onion traffic is mostly offered in Maharashtra and Gujarat States served by the Central and Western Railways. Potato traffic is offered by Northern States like Punjab, Haryana, Himachal Pradesh and Uttar Pradesh served by Northern and North Eastern Railways.

2.8 Instructions are in existence to pay special attention to clear commodities like onions and potatoes. The bulk of the offering of potato traffic from Uttar Pradesh is for destinations on Northeast Frontier Railways. Despite severe constraints in moving potatoes to destinations in Assam and other North Eastern States by all metre gauge route, which is much slower and has inadequate facilities, North Eastern Railway have been asked to permit movement of potatoes by all metre gauge routes during the potato season as desired by Uttar Pradesh Government.

2.9 Asked to spell out the 'severe constraints' in moving these commodities to Assam and other North Eastern States and the steps taken to remove these constraints, the representative of the Ministry during evidence Stated:

"This (broadgauge) route is a very subsidiary, unimportant route after conversion of the main route to broad gauge. It has a series of loops where the trains have to reverse its directions in four places and in most of the stations there are only two lines with the result that the capacity for moving the train is extremely limited. On these sections, the speed is itself very poor and old, dilapidated locomotives are being used. The stations are non-interlocked. Because of these things it was impossible for us to run more than two goods trains a day. The loops are short. Hardly 20 or 30 wagons can be taken. The State Government and the trade represented to us the difficulties. There were also requests from the North-eastern States and Assam that they are very much dependent on this

traffic. Then we did take certain measures. We gave some priority and upgraded the condition of the track marginally and then we put in diesel locomotives instead of steam locos. Then we also took some works which were in progress. Some of the signalling system is improved so that the speed is better. We are also putting up additional loops and the length of the loops are also increased. Then we rationalised the traffic. As I submitted, earlier, we had foodgrain movement and the salt movement which is also coming to some of these areas which we rationalised by taking it on broad gauge and we created capacity for movement of this traffic during season by the metre gauge. Thus we are now by and large meeting the traffic.

Then regarding the potato traffic, we requested them to bring it to the broad gauge and they are not prepared to do it as they fear there will be pilferage and there will be transhipments. They were afraid that it may not reach the consuming centres in time and they demand that it should go by metre gauge throughout so that there is no transhipment."

2.10 In a memorandum furnished to the Committee it has been stated that:

"The system of classification and priorities assigned by the Railways is not satisfactory. As a result of this, the consignments do not reach the destination in time. For instance, at present the Railways do not accept perishable goods in fast express trains. There is a need for lowering the classification so that the freight is relatively cheaper in comparison to road transport, but at the same time the goods are moved as fast as possible."

2.11 Asked what the Ministry had to say in this regard, the representative of the Ministry stated:

"We do carry perishables by fast and express trains to the extent room is available. As far as priority is concerned, it enjoys the highest priority in the matter of clearing perishables."

There is no case for quoting a lower freight rate as the existing rates are already subsidised."

2.12 Referring to the freight structure for transportation of perishable commodities by Railways it has been stated in a memorandum furnished to the Committee:

"Although the existing railway parcels rate is quite low, in actual practice, this rate works out much higher in comparison with the truck rate by road when all the other factors such as damage/loss as well as incidental expenses involved in railway transport are taken into account. As such the question of allowing the lowest rate CP-2 to all kinds of fruits, butter, khoa, pan etc. needs to be favourably considered."

2.13 Asked whether the suggestion finds favour with the Ministry, the representative of the Ministry stated:

"Even the CP-1 rate, is highly subsidised. We do not consider there is any justification for any further subsidy."

2.14 A Fruit Exporters Association from Hyderabad suggested to the Committee in their memorandum that:

"Perishable commodities should be charged the same rate irrespective of whether carried by express trains or super fast trains. Due to charging of 30% extra by super fast trains the prices of perishables are pushed up and it is beyond the purchasing capacity of the common man. Hence charges should be levied without any extra even if moved by super fast trains."

2.15 Asked, whether the Ministry agreed with the suggestion that no extra charges be made for perishable traffic when transported by express/super fast trains, the representative of the Ministry stated:

"For super fast trains it has been increased by 30 per cent. I feel from the percentage and the rates, it has been increased keeping in view the traffic which is moved and they can certainly bear this and in our view there is no cause for abolishing this super charge."

Concessions in Freight

2.16 It has been stated before the Committee by a non-Official Organisation:-

"At present bananas, oranges and mangoes are transported on a rakeload basis by special trains. This system should continue. But here, the concession is when you move on a full rake basis. When you move on a full rake basis the concession is 40 per cent of the normal parcel rate. It is used to be 50 per cent in the past. Now this has been reduced to 40 per cent. Our submission is that these goods should continue to be transported on a full rake basis by special train at a rate of 50 per cent less than the normal rate. Our second submission is that other commodities should be charged at the goods rate to move by the Express and super-fast trains. And on the super-fast and Express trains, adequate provision should be made for space to move this kind of traffic on a small scale."

2.17 Asked, whether it was a fact that the concession was given when commodities were booked on full rake basis, the representative of the Ministry stated:-

"The concession is given to the commodity, not because it is booked in bulk. In the case of wagon loads also this concession is given...It is given for the particular traffic."

2.18 A non-official organisation pointed out to the Committee in their memorandum that within a year freight charges for perishable goods have been increased three times. It was also pointed out that lately the freight slabs have been raised from 5 Kgs. to 10 Kgs. For 31 Kgs. the freight will be charged for 40 Kgs., thereby making the merchant pay freight for 9 Kgs. unnecessarily.

2.19 The representative of the Ministry stated in this regard:-

"It is not correct to say that the freight charges have been increased in respect of one year three times. During the past five

years it has been increased three times. As far the slab system is concerned, we have to followed the recommendation of the RTEC and in the context of the subsidised rate we are giving. I do not think it is a very big weight on the consumers."

Surcharge on perishables

2.20 An Association of Duck Eggs producers and exporters has in their memorandum to the Committee stated that :—

"There is levy of surcharge on the perishables. Therefore, we request for the abolition of surcharge on perishables and for the reduction of freight rate."

2.21 A Fruit Marchant Association in Andhra Pradesh has also pointed out that :—

"It is unbearable that the Railway Authorities are charging twenty per cent as Surcharge and Fifty per cent as Super charge for fast and super fast trains respectively. This is more than the value of the goods. The exporters cannot bear hence please recommend for elimination of both surcharges and super charge on perishables."

2.22 Asked to state the factual position as also the Ministry's reaction to the suggestion regarding elimination of surcharge and super charge, the representative of the Ministry stated :—

"It is true that we are levying this surcharge. There is no case for abolishing the surcharge and the existing structure is all right. In terms of percentage the percentage is, for perishable material 20 per cent and 30 per cent for super-fast trains."

2.23 Perishable commodities are carried by rail at a concessional rate of tariff. However, admittedly the rate is in some cases higher than that charged for road movement. Further, though the Railways claim to substantially subsidise the rail movement of perishable commodities the Committee have been informed by a nonofficial organisation that with the surcharge levied the cost of rail transport exceeds the value of goods. The Committee desire that the tariff rates and the rates of surcharge

should be reviewed commodity-wise and readjusted with a view to ensuring that the transport cost remains reasonable having regard to the value of the goods and does not unduly depress the demand or make it very dear to consumers. After all the rail tariff should be determined on the basis of what the traffic can bear. The Committee would like to know the result of the review.

2.24 Incidentally, it has been represented to the Committee that the slab system at present adopted for charging freight for movement of perishable commodities operates harshly. The Committee recommend that this aspect also should be examined as part of the review suggested in the foregoing paragraph.

2.24A The Committee appreciate that movement of perishable commodities at low tariff rates, even below operating costs, constitutes a heavy social burden. To reduce the social burden of the railways, the Committee suggest that part of these social burdens should be borne by the general revenues of the Central Government. If such a course is adopted, the existing freight rates could be brought down to a reasonable level and their rise can be avoided in future.

2.25 Though on paper highest priority is assigned for movement of perishable commodities, the Committee learn that irrespective of the demand the carriage by Mail/Express trains is restricted "to the extent room is available." This obviously creates uncertainties and difficulties to the industry and trade as urged before the Committee by their representatives. While in the long run adequate facilities should be available for fast movement of perishable commodities at least over long distance, there should be some short term measures to remove uncertainties. There should be some earmarking of space in fast trains depending upon the demand which should be made known to the prospective consignors. Necessary instructions in this regard should be issued to the Zonal Railways.

CHAPTER III

DEMAND FOR WAGONS AND MOVEMENT PLAN

3.1 It has been stated by the Ministry of Railways in the Preliminary Material that all efforts are made to clear the demands of movement of perishable commodities in wagons either as Coaching or Goods and the demands are more or less met fully by the Railways, by the end of the season when the indents come down to nil.

3.2 The figures relating to number of wagons moved during the last 3 years in Northern Railway, Northeast Frontier Railway and Southern Railway show decline as follows.

<i>Railways</i>	<i>1979-80</i>	<i>1980-81</i>	<i>1981-82</i>
Northern	20,596	11,921	11,018
North-east Frontier	354	271	93
Southern	10	52	22

3.3 On the other hand, with regard to the demand of growers/traders of perishable commodities for wagons, it has been stated in a memorandum that :—

“The demand met by the railways is not significant with the result that bulk of the perishable commodities go by road transport. Bulk movement of a few items like potatoes, mangoes, bananas etc. is possible during the season and the Railways should make special efforts to allot additional wagons at that time.”

Further :

“There are reports about acute delay in allotment of wagons and growers suffering on account of lack of wagons to move their products in time. To avoid delays in booking of perishable goods, the Railways should allot wagons in tune with the demand from a region.”

3.4 When asked to comment on the above views as also explain the reason for shortfalls in the number of wagons moved in the above railways and whether the movement of these commodities was diverted to other means of transportation, the representative of the Ministry stated during evidence :

“In 1979-80, considerable quantity of potatoes was transported from the North of Cannac Bandar. Subsequently this was stopped. Apple traffic was about 2,800 in 1980 and 2,450 in 1981. It fell down to 893 in 1981-82 and 10 in 1982-83. This was because of the comparatively poorer crop in that area and whatever was available had moved by roads.

This is also partly due to the fact that in Punjab, they switched over to Chandramukhi potatoes which cannot be transported for long distance and these are normally consumed within that area and this traffic is also not offered to us for carriage by rails. In 1980-81, some jambo rakes were loaded from Farukhabad. We were told that in Madhya Pradesh, the prices have crashed and, therefore, there was reluctance on their part to load in these big rakes and they wanted smaller ones. In that process, we lost some traffic. Because of the gauge conversion on the North-Eastern Railway, there was a time interregnum during which we were not able to take the traffic.

There is some problem on Farukhabad route and therefore, we were not able to meet the demand on that route. Due to all these problems, the transportation of onions is also similarly affected. There was some diversion of traffic to Road also..... In 1979-80 more than 2,000 wagons for transportation of potatoes were sent to Bombay area. It was not offered to us in the subsequent years.”

3.5 When pointed out that there was a steep decline of goods traffic by rail which reflected on the efficiency of the railways, the representative of the Ministry stated :

“Excepting a few areas, we have met the requirements of transportation of goods of all areas in the country.”

3.6 Asked, how the Ministry assess the demand of wagons and how the Railways plan to meet it and whether some sort of a scientific approach is adopted for the purpose by the Railways, Chairman. Railway Board stated :

“We will make a scientific study of this and get the information compiled.”

3.7 Asked, what sort of this machinery would be, the representative of the Ministry stated :

“We have certain inspectors attached to the fields. They will be sent to the various associations and also to the State Departments who are keeping some kind of statistics, to the cooperative societies, marketing federations, etc. We will now introduce a system by which all this will be collected and compiled. Some field work has to be done. We have to organise it.”

3.8 The Ministry has further stated that the movement of Perishables as parcel traffic is arranged in Brake Vans/luggage vans normally attached to Mail/Express/Passenger trains. All such perishable traffic is cleared in preference to non-perishable traffic and no system of registration of demand is in vogue.

3.9 Asked, how in the absence of registration of demand requirement of various types of vans to be attached to Mail/Express/Passenger trains is determined, the representative of the Ministry stated :—

“Regarding the demand for perishable traffic, if it is in terms of wagon loads or when we make special arrangements, there is a system of demand registration and supply. The demand for perishable traffic is generally small except during the season traffic. So, for small demand there is no system of registration as such, they are booked and cleared by the nominated trains. Based on local information, if the demand is much more, then additional wagons are attached on certain trains by pre-planning. From road-side stations many times we find that accommodation is not adequate to deal with the traffic in which case we do give a kind of quota to the station concerned but

this results in complaints at some stations. But the normal practice is that it should be on first-come-first-served basis."

3.10 Asked, whether the Ministry could assure the Committee that all such traffic was moving smoothly and there was no cause of complaint, the representative of the Ministry stated :—

"I wish I were in a position to assure the Committee that all such traffic is moving smoothly. But unfortunately I admit that it is not as satisfactory as it should be. There are causes of complaints arising out of the inadequacy of facilities. So there are complaints; I am sorry that we cannot say that it is moving smoothly or there is no complaint, but effort is there to see that such complaints are avoided."

3.11 Asked, whether the Railways, would start market survey of perishable commodities which require transportation by Railways, the representative of the Ministry stated :

"In the perspective plan, one of the ways to assess the traffic of the future is on the basis of market survey"

He added :—

"We are having an assessment in the commercial department which is connected with marketing and sales. We are selecting certain inspectors for this, a special cell is being created which will be required to contact the State Governments and other agencies and we would also like to contact the Ministry of Agriculture, and these people will go into micro-system; at each field level they will assess. This is consolidated by the Commercial Directorate."

Movement Plans

3.12 With regard to drawing up of movement plans for perishable commodities by Railways a suggestion has been made in a memorandum submitted to the Committee that :

"For drawing up movement plan for transportation of perishables at different points of origin, the Railways will have to consult

the users such as Chamber of Commerce, Presidents of various users Associations and draw up movement plans. If necessary a Special Officer should be appointed in each Division for this purpose."

3.13 Asked as to what were the Ministry's comments on this suggestion and whether the Railways had any agency to keep liaison with the producers/traders of perishable commodities with regard to drawing up movement plans the representative of the Ministry stated during evidence :

"The need to have the detailed consultations with the trade and other interest associated with the transport of perishables, is fully appreciated. The Railways do hold such meetings. At the Division level, such meetings are held by the Divisional Superintendents. For the purposes of illustrations, in Central Railway we hold these meetings with Maharashtra Kaksha Bagaidar Bondh Sangh, Nasik, Maratha Chambers of Commerce and Industry, Pune, Grape Growers and Exporters Association, Nasik; and Eastern Railway, it is Mango Merchants Association, Rajmahal and Malda, Jack fruits Merchants Association, in Northern Railway, it is Indian Potato Association, Central Potato Research Institute, Simla, M/s Lahaul Potato Growers Cooperative Marketing cum Processing Socy. Ltd., Mandi."

3.14 Subsequently, the Ministry were asked to offer their comments in regard to the following view expressed in a non-official memorandum to the Committee :

"At present there are no fixed Committees in this respect. The Divisional authorities feel that any liaison maintained with the merchants would be branded as connivance. Hence, there is no possibility of rendering any assistance or acceptance of suggestions from the merchants side. Unless this attitude is changed, there is no remedy to the problem. Statutory instructions only would pave the way. Except in the case of Mango Movement, where a separate meeting is held with the merchants in all other cases, the merchants are not at all consulted about

the movement plans. Even in the case of Mango traffic, it is nothing but mockery since the plans or suggestions are seldom implemented."

3.15 Commenting on the above view, the Ministry in a written note stated that before the advent of the season, co-ordination meetings were held with the concerned representatives of trade at the Divisional/Headquarters level. At these meetings, the demand for transport of perishable commodities was assessed on the basis of the estimates given by the growers/trade and plans were chalked out to ensure smooth and speedy clearance of perishable commodities. Constant liaison was maintained by the Railways with the representatives of trade and industry for clearance of the traffic in perishable commodities offered by them even during the season. Also, Station Consultative Committees were constituted at important stations for this purpose. It may be clarified that the primary objective of holding such meetings with traders/growers at different levels was to assess the total transport requirements and to make arrangements accordingly so as to ensure clearance by rail. In any case, there was no question of non-cooperation on the part of the railways in accepting the suggestions made by the trade on this subject. Viewing the position on all-India basis, there were a large number of Associations/Organised bodies and Merchants/traders with whom consultations were held by the different Railways.

Suggestion for Users' Consultative Committee

3.16 In a memorandum furnished to the Committee it has been suggested that :

"Representatives of perishable commodity dealers should be included in the Railway Users Consultative Committees functioning at different levels such as Station, Divisional, Zonal etc. to enable the trade to be adequately represented. Periodical meetings should be arranged at the headquarters of each railway with representatives of different Associations dealing with perishable commodities to enable them to express their difficulties, grievances etc. and the Railways should also send periodical reports to the Railway Board for the attention of the Member (Commercial) who should be appointed to deal exclusively with commercial matters."

3.17 In another memorandum from an Association of Farmers, the following suggestions was mooted :—

“We suggest the Railway authorities to constitute a Regional Committee relating to the perishable produce consisting of Railway authority and local growers and traders. The Railway authorities should see that the Committee draw plan every year regarding the out-put of the perishable produce and the necessary arrangements to be made for in-time transportation.”

3.18 Commenting on these suggestions, the Ministry stated in a written note as follows :—

“Nomination on Station/Divisional/Zonal Railway Users’ Consultative Committees is based on the principle of securing as wide a representation as is practicable of various identifiable and important groups of rail-users viz. Chambers of Commerce, Trade Associations, Industries, Agricultural Associations, Passenger Associations, State Governments, State Legislatures and Members of Parliament. Nomination of Chambers of Commerce/User Trade Associations etc is done taking into consideration their importance. Where a large number of such Chambers/Associations are functioning in the area covered by the Railway, they are considered for representation by rotation. Such other interests not covered under the specific provisions are nominated under ‘Special Interests’ by the Minister of Railways to represent different shades of rail users’ opinion.”

The meetings of Station Consultative Committee are held every four months, Divisional Railway Users’ Consultative Committees once a quarter and the Zonal Railway Users’ Consultative Committees three times a year. The representatives of the Trade have an occasion to highlight their problems and grievances in these meetings. The problems and grievances of the users and trade are settled after discussions at the meetings of the Railway Users’ Consultative Committee.”

Delays in Movement leading to damage theft and pilferage etc.

3.19 It has been stated in a memorandum that:-

"Any delay in movement or undue time taken in transshipment etc. would render perishable commodities useless. These have to be carried in special wagons e.g. refrigerated wagons and handled with care. Trained manpower for loading, unloading etc. is also required. Lack of effective steps to protect perishable commodities from theft, pilferage, damage etc. would put growers and producers of perishable commodities to severe losses."

3.20 When asked to comment on the above views and state whether the manpower provided by Railways, for loading, unloading etc. is adequately trained to handle perishable commodities; and how does the Ministry exercise check on theft, pilferage, damage etc. of perishable commodities not only during loading and unloading operations but also en-route, the representative of the Ministry stated:-

"Where the movement is in brake vans under the charge of guard, the chances of damage or pilferage are comparatively rare but the movement of perishables in small vans from one area to another area does involve sufficient handling where it has to be taken on from one van to another van. On these points there is some delay and during the handling and storage, there are some complaints regarding pilferage or damage. In most of the places it is the labour of the consigner himself, who come and handle it and unload it. By virtue of their experience, they normally know what is to be done and, I will say, to some extent they are specialised labour. They are handling it and doing that efficiently. If there is any suggestion it is noted and we explore on that.

About the checks on theft, pilferage, damage, etc. of perishable commodities, we have the normal RPF machinery and at the point where we have got this transshipment from one place to another, in some places we have provided cages where they are stored. At other places it is subject to the normal surveillance which is done to any property which is handled in transit."

3.21 Asked how does the quantum of pilferage/theft of perishable compare with that of other goods, the representative of the Ministry stated:-

"The percentage of theft, pilferage and damage of perishable commodities as compared to the total, approximately it would be of the order of 9.6 per cent in 1979-80, in 1980-81 it is about 10 per cent and in 1981-82 it is of the order of 12 per cent to the total claims paid. If we are paying Rs. 100 Rs. 9 or Rs. 10/- we are paying by way of claims for perishable commodities. The number of cases would be of the order of 30% to 32%."

Detention of Wagons at loading/unloading terminals.

3.22. The Ministry has stated in the Preliminary Material that the Railways anticipate no difficulty to meet the demand for wagons for perishable commodities like onions and potatoes provided there is no detention to wagons either at the loading or at unloading terminals and loading is rationalised and organised to the extent possible in block rakes.

3.23 Asked to state the constraints leading to detention of wagons at loading/unloading terminals and the steps taken to obviate such a possibility; and also the authority/machinery to rationalise/organise loading/unloading at terminals, the representative of Ministry stated:-

"In regard to detention of wagons at the loading and the unloading ends, I may point out, there are two main constraints. One is the constraint on the part of the consigner or the consignee. He has not got the things ready. He may have to face some problem or the other; for example, he may have some problems about transport or he may have some problems about the labour and so on. Such things happen. There may be some problems imposed due to peculiar market conditions. He wants to delay the loading as much as possible. All these things cause delay all round. There is some delay caused due to the failure of the Railways also at times. There are some shunting losses which are required for the placement of wagons in proper places. Sometimes these shunting losses could not be supplied or provided in time. These are the two main factors which I can visualise

now. There are in adequate facilities. sometimes also the traffic comes up all bunched together. Sometimes the capacity of the goods or parcel siding will not be adequate and things have to wait outside. Sometimes we will agree for block rakes. The Divisional Superintendent of the Division concerned is fully authorised to do that. There are normal rules provided for in regard to these matters. So, there should be no confusion in this regard. Sometimes one has to make a decision whether a special train should start from 'A' Station or 'B' Station or 'C' Station. Sometimes one has to decide whether two half-specials could be started, later on to be converted into one special. Sometimes one has to decide whether it should wait for one day more or two days more or some such things. The Divisional Superintendent is authorised to take such decisions."

3.24 Asked, what action was taken by Railways when at times due to some peculiar market conditions traders delayed the clearance of wagons, the representative of the Ministry stated:-

"There are rules of demurrage which are applied."

3.25 Asked whenever there were demands from the producers do the Railways give sufficient notice to traders for allotment of wagons, the representative of the Ministry stated:-

"These dates are intimated to them well in advance; we give them sufficient notice of three days or so; they come to be aware of it. They know it in advance. We generally stick to the date given. Normally there is no deviation."

3.26 Though the Railways have claimed to have met the requirement of goods traffic of perishable commodities except in few areas, there is a widespread feeling of general inadequacy. In fact the traffic has declined substantially on Northern, Northeast Frontier and Southern Zones over the period 1979-80 to 1981-82 clearly indicating that the traffic shies away from rail on account of uncertainty and inadequacy of timely wagon availability. There is no scientific method of assessing the wagon requirement in advance and plan the move-

ment of perishable goods traffic smoothly nor has there been any reliable market survey. Even in the case of small consignments which are accepted on first-come-first-served basis, the position seems to be equally unsatisfactory. Besides delay in transit there is considerable delay at loading and unloading points on account of various inadequacies in the system and bunching of traffic in the absence of proper movement plan. The Ministry of Railways had to admit this before the Committee in evidence. The Committee cannot but deprecate the adhocism that prevailed all along and the neglect that the movement of perishable commodities suffered thereby. Even if it was not possible to provide adequate facilities, the least that was expected was to ensure the best use of available facilities by removing uncertainties through proper planning and active coordination with the agencies and interest concerned.

3.27 The Committee have been informed that a special cell is now being created to assess the requirements from field in concert with the Ministry of Agriculture, State Governments and other agencies. The Committee wonder why such a step had not been thought of so far. They would urge that this should be implemented forthwith. They wish to add that the perspective plan for movement of perishable commodities referred to earlier in this Report should be drawn up on the basis of a reliable market survey which should enable projection of the demand for the future fairly accurately.

3.28 The Committee are of the view that ideally Railways as national carriers ought to be in a position to accept all the goods tendered for movement either by goods or by passenger trains. The consigners should not be compelled to move them by road at higher cost to themselves which also will not be in the interest of the economy. The perspective plan should, therefore, be drawn up having regard to this basic principal.

3.29 In the mix of traffic that the railways handle, perishable commodities are a class by themselves. The requirements for this traffic are distinctly different from those of the rest. The requirements are not only in terms of special in-transit conditions but also suitable storage and handling facilities at the loading and unloading as well as transshipment points. Further, these commodities are more susceptible to theft

pilferage and damage. In view of all these the Committee strongly feel that there should be effective consultation with the related interests. Accordingly they recommend that adequate representation of these interests should invariably be given on the Station/Divisional/Zonal Railway Users Consultative Committees.

3.30 The Committee are concerned to learn that more than 30 per cent of cases of perishable commodities booked by rail affected by theft, pilferage and damage. This is incredibly high. Further, lately 12 per cent of the total compensation claims paid by the Railways was in relation to these commodities. Going by the proportion of the perishable commodities to the total goods/parcel traffic in value terms, the compensation claims paid for these commodities is also very high. The position that has thus emerged shows that the perishable commodities are particularly badly handled by the Railways. The Committee expect the Ministry of Railways to take a serious note of this and take all possible steps to obviate theft, pilferage and damage and monitor the position effectively to progressively bring them down.

CHAPTER IV

WAGON DESIGN

4.1 The Ministry of Railways informed the Committee through their Preliminary Material that at the instance of the Ministry of Rural Development, New Delhi, it was decided at a meeting held on 11.1.1980 that the Market Planning & Design Centre (MPDC) under the Ministry of Rural Development should undertake a project to study technical improvements required in the transport of fruits and vegetables like apple, mango, orange, banana, potato and onion in collaboration with the Food and Agricultural Organisation of the United Nations. The project called "Wagon Climate" consists of two stages, the salient features of which are as under :—

Stage I : To assess the in-transit environment during transportation of fruits and vegetables in standard wagons and to relate the same to product arrival condition, specially with regard to in-transit deterioration and to obtain data upon which to base recommendations for simple wagon modifications to be tested in Stage II.

Stage II : To test such practical, mechanical and procedural modifications as recommended in stage I of the project, in order to establish the costs and benefits of these in the provision of improved in-transit environment for the commodities concerned and to make recommendations for their adoption where feasible.

4.2 As desired by the FAO Specialist attached to the MPDC, facilities were made available for conducting an experiment with Apple traffic moved from Jammu to Delhi, (Azadpur) on 21.11.1980. For the next experiment, a Parcel Van was made available on 21.1.1981 for the movement of Apple from Delhi to Madras. Similar experiments were conducted in respect of Potato traffic for which 3 wagons were made available on 13.3.1981 for movement of traffic from Jullundur city to Madras.

4.3 The MPDC have now approached the Railways to make available one wagon with following modifications :—

- (i) Painting of the roof and side walls of the wagon with aluminium.
- (ii) Drilling of 12 to 16 holes of 5-7 Cms diameter on the bottom of the wagon.
- (iii) Drilling of 3-4 holes of 5-7 Cms diameter at the top of the end walls.

4.4 The MPDC have proposed to conduct the next experiment with Plantain (Bananas) traffic from Bhusaval to Delhi (Azadpur). The modified wagon has since been kept ready by the Central Railway and the MPDC have been advised to proceed further with the experiment.

4.5 In reply to Estimates Committee's recommendation Sl. No. 32 (Para 2.105) contained in the 10th Report (1980-81) on Ministry of Railways—Transportation of Essential Commodities, the Ministry had *inter alia* stated as follows :

“The Food and Agriculture Organisation of the United Nations are at present engaged in studying the ‘wagon climate’ in rail transit of fruits and vegetables like apples, mangoes, oranges, bananas, potatoes and onions etc. The Indian Railways have been associated with this project. Railways extend cooperation for the experiments being conducted by the Marketing Planning and Design Centre (MPDC) in this connection. The Project consists of two stages—stage one, to quantify the in-transit environment and stage two, to examine feasibility of modifications to the existing rolling stock. A beginning has already been made in regard to the experiments under Stage one of the project by studying the in-transit environment of apple and potato traffic, similar experiments are now being contemplated in respect of some other selected commodities also. The Marketing Planning and Design Centre (MPDC) are expected to make their recommendations based on their experiments with regard to changes in design of the rolling stock to improve the in-transit conditions, particularly to keep the ambient temperature as low as possible”.

4.6 Asked as to what was the latest position of above project and whether the Marketing Planning and Design Centre (MPDC) had made any recommendations based on experiments undertaken by them, the representative of the Ministry of Railways stated during evidence :—

“The experiment was to be in respect of apples, oranges, bananas. No. specific recommendation was there”.

4.7 During the course of their evidence before the Committee a representative of a non-official body suggested to the Committee that :—

“If the Railways want to attract more traffic, they have to devise some means for quicker transportation, as also provide suitable type of wagons for carrying of perishable goods. Whether the wagons are to be insulated, or well-ventilated, is a technical question.....This may be studied by a proper technical team.”

4.8 Asked, what was the machinery in Railways which goes into this aspect, the Ministry of Railways stated in a written reply that all such suggestions were referred to the Research, Design and Standards Organisation, Lucknow who had all facilities for study, design, development and testing of coaches and wagons. Field trials were conducted on the Railways before a product was accepted.

Refrigerated/Special Facility Wagons

4.9 It has been stated in the Preliminary Material that nearly two decades ago, at the behest and cost of the Ministry of Agriculture, the Railways had manufactured 8 B.G. and 4 M.G. Refrigerated vans, basically for transporting fish and meat traffic. Almost all the BG vans have outlived their normal life and they are no more serviceable. The MG vans are not in use for want of traffic.

4.10 Asked, whether it was a one-time arrangement with the Ministry of Agriculture, the representative of the Ministry of Railways stated before the Committee that :—

“This was a one-time arrangement with the Ministry of Agriculture and there has been no further progress or initiative regarding

transportation or regarding the number of wagons. Of course, there are only a few wagons which have outlived their normal life and which have to be retired. We have been having consultations with the Agriculture Ministry but nothing tangible has come out".

4.11 When asked as to when these 8 broad-gauges coaches were in operation, and how much popular were these, the representative of the Ministry stated :

"Their utilisation was not satisfactory".

4.12 Asked what were the Ministry's plans for having more broad-gauge coaches of this type, the representative of the Ministry stated :—

"We do not have any plan to manufacture such type of wagons. But if the Agriculture Ministry asks us to manufacture some of the wagons, we will take it up".

4.13 The representative of the Ministry of Agriculture, however pointed out that :—

"Perhaps, this scheme of refrigerated wagons was not given a fair trial. These wagons were manufactured at the cost of Agriculture Ministry... my impression is that if we draw up an integrated plan of movement by refrigerated wagons, this can prove a viable proposition. But in addition to these refrigerated vans, what we will require is cold storage at both the ends. Unless we have them, this scheme will not. So, I think, this scheme requires further examination".

4.14 In a memorandum from a concern of forwarding and clearing agents dealing in perishable commodities, it has been stated that :—

"At present the practice of running of Refrigerated vans has been dispensed with. This should be re-introduced particularly between MADRAS AND HOWRAH daily for transporting the Fruits, lines and eggs".

4.15 A Grape Growers Association in Hyderabad has pointed out :—

"Refrigerated or Insulated or even wooden wagons should be highly preferred which would enable perishables to reach distant destinations in good condition. At present atleast 30% of perishables reach destinations in decomposed condition which is ultimately a national loss".

4.16 The Committee were told during their on-the-spot visits that transportation of perishables goods in Refrigerated vans could be successful only if cold storage facilities are available at transshipment and terminal points. Besides, the cost of transportation by rail will increase and the advantage of cheap transport by rail will be lost.

4.17 Asked, what the Ministry had to say in this regard and whether the economies of transport of perishable commodities by Refrigerated vans had been worked out, the Ministry of Railways stated in their written reply that the economies of transport of perishables by refrigerated vans was examined in detail and it was found highly uneconomic on account of the following reasons :—

- (i) Underload running in the loaded direction;
- (ii) Empty running in the return direction;
- (iii) Poor loadability of the commodities;
- (iv) Concessional rates for perishable Commodities;
- (v) High capital cost and maintenance.

4.18 In view of this, the Ministry of Agriculture who had sponsored the manufacture of refrigerated vans, did not come up with any further proposals. Ministry of Railways had never considered provision of these vans on their own nor do they have any such plans in future.

4.19 It was the policy of the Indian Railways to provide only general service stock which can be utilised for loading of all commodities in order to maximise the available transport capacity in the country. In view of the difficult resources position, Indian Railways could not provide such sophisticated highly capital-intensive rolling stock which can be used only for very limited commodities and at highly uneconomic rates.

Design of Parcel Van

4.20 With regard to modification in the design of the parcel van, in a memorandum from Association of Farmers in Andhra Pradesh it has been stated :—

“The present design of the parcel van may be modified so as to accommodate 30 tonnes instead of the existing 20 tonnes. The parcel van... are not available and 40% of them are out of track. These vans may be repaired and got on track. They may be provided with air coolers to transport perishable”.

4.21 Asked, what was the factual position in this regard, the Ministry stated in their written reply that :—

“Our requirement of BG parcel vans is currently being met exclusively from BEML who have now switched over to the ICF design of bogie. The standard design of coaching bogie (both ICF and BEML) which is fitted on parcel vans is designed for an axle load of 13 tonnes. The maximum gross load of the vehicle is therefore limited to 52 tonnes and since the tare weight is about 32 tonnes, the maximum carrying capacity is restricted to 20 tonnes.

We do have a design of coaching bogie for 16 tonnes axle load which is slightly heavier than the existing 13 tonne axle load bogie. The feasibility of using this bogie on parcel vans will depend upon :—

- (i) Ability to maintain buffer height with existing spring deflection rate.
- (ii) Assuming that a stiffer spring has to be used, the effects on riding characteristics will have to be determined.
- (iii) In any case, speed potential of the bogie under tare and full load will have to be assessed.

Even assuming that we can get over these problems, the maximum carrying capacity of the parcel van will be restricted to about 30 tonnes, which, with a tare of about 34 tonnes, will give a maximum gross load of 64 tonnes.

4.22 Referring to the complaint of 40 per cent parcel vans being out of track, the Ministry stated as follows :—

It is not correct that 40% parcel vans are not available. For example, at the end of March, 1983, ineffectives of such stock was as follows :

Central Railway	6.6%
Eastern Railway	44.2%
Northern Railway	4.85%
Southern Railway	11.3%
South Central Railway	4.4%
South Eastern Railway	N.A
Western Railway	5.3%
	<hr/>
TOTAL	10.9%
	<hr/>

The overall ineffective of such stock is the same as normal coaches. It is only on Eastern Railway that ineffectives are on the high side. Steps are being taken to bring this down also to normal level."

4.23 In reply to Estimates Committee's recommendation in para 2.105 of their 10th Report (1980-81) on the Ministry of Railways-Transportation of Essential Commodities, the Ministry had *inter alia* stated that the Food and Agriculture Organisation (FAO) were engaged in studying the 'wagone climate' in real transit of fruits and vegetables like apples mangoes, oranges, bananas, potatoes and onions etc. The Indian Railways were also associated with this project and they extended cooperation for the experiments being conducted by the marketing Planning & Design Centre (MPDC) under the Ministry of Rural Development. The Ministry further stated that the MPDC were expected to make their recommendations based on experiments with regard to changes in design of

rolling stock and to improve in-transit conditions. During evidence the Committee sought to know the latest position of the project as also the recommendations, if any, made by the MPDC. The representative of the Ministry informed the Committee that 'no specific recommendation was there'. The Committee desire that this project should be completed early and on the basis of the findings in regard to causes of in-transit deterioration, improved in-transit environment provided. The Committee would await further developments in this regard.

4.24 The Committee note that at the behest and cost of Ministry of Agriculture the Railways had manufactured 8 BG and 4 MG refrigerated vans basically for transporting fish and meat traffic, about two decades ago. There has been no further addition to this stock. Almost all the BG vans are stated to have outlived their normal life and are no more serviceable. The MG vans are, it is stated, not being used far want of traffic. The representative of the Ministry of Agriculture, however, pointed out to the Committee that this scheme of refrigerated vans was not given a fair trial and suggested that if an integrated plan of movement by refrigerated vans is drawn up this can prove to be viable proposition. According to him cold storages are also needed at both ends - loading and unloading. The Committee received memoranda from certain non-official who demanded that the use of refrigerated vans should not be dispensed with, rather these vans should be introduced for transportation of fruits, limes etc. over long distances. Although the Railways have made it appear that these vans are uneconomical, the Committee wonder whether the national loss involved in the damage and deterioration in the ordinary transportation is reckoned while coming to this conclusion. The Committee are of the view that the matter should be settled in consultation with the Ministry of Agriculture and the stock of refrigerated vans augmented simultaneously providing for cold storage facilities wherever necessary. The Committee would like to know the action taken in this regard. There obviously has been communication gap between the Ministries of Railways and Agriculture on this issue which should not persist any longer.

4.25 The Committee further recommend that the design of parcel vans should be improved in order *inter alia* to provide better carrying capacity.

4 26 The Committee note that at the end of March, 1983, on an average 10.9 per cent of the parcel vans held by the Railways remained out of track. In this connection they were particularly distressed to learn that in the Eastern Railway on an average 44.2 per cent of wagons were out of track. This is highly unsatisfactory especially viewed in the context of the demand for perishable commodities that are not being met properly and calls for concerted measures to normalise the position in this Railway. The Committee recommend that the Ministry of Railways should direct the Eastern Railway to undertake a crash programme in this behalf and see that it is implemented in the shortest possible time.

CHAPTER V

HANDLING FACILITIES

Lack of Facilities at Transshipment Points

5.1 It has been stated in the Preliminary Material that the existing facilities available in the Parcel offices and Transshipment sheds and goods sheds for handling perishable traffic are generally adequate. These are periodically reviewed in consultation with the Railway Users Committees functioning at the Divisional/Zonal/National levels and are augmented from time to time depending upon the justification and availability of resources.

5.2 In a memorandum submitted to the Committee, it had been pointed out that :—

“There are reports of perishable commodities suffering deterioration at transshipment points. The lack of facilities at transshipment points results in severe congestion and at times it becomes even difficult to trace the consignments.”

5.3 Asked to state the factual position as also the safeguards the Ministry provides to avoid deterioration of perishable commodities at transshipment points, the Ministry stated in a written note that though the facilities available at transshipment points were generally adequate, difficulty was occasionally experienced at some places on account of non-availability of adequate labour, wagons, storage facilities etc. These were some of the weaknesses in handling of parcel/perishable traffic by Railways. However, the facilities available were reviewed from time to time and augmented to the extent feasible. The main difficulty in augmenting the facilities was constraint of resources.

5.4 To avoid the damage/losses/delays inherent at a transshipment point, the movement of onion traffic from Western Railway, for North-east frontier Railway was permitted by the M.G. route despite the severe movement constraints on the Gonda-Gorakhpur-Siwan-Chhapra

loop. Similarly, potato traffic from Farrukhabad area to Northeast Frontier Railway region was permitted by all M. G. route.

5.5 The Committee received numerous complaints with regard to non-availability of skilled labour, modern equipment for handling and storage facilities for perishable goods at the booking points/sites of Railways. Referring to these problems it has been stated before the Committee by a body of non-officials that :—

“Sometimes difficulty is felt due to non-availability of labour at the point. There are no proper storage facilities; there are no proper modern handling methods; no proper modern equipments. Because of these things many difficulties arise. There is deterioration of the goods. I can give the examples of Barauni, Agra, Ahmedabad, Lucknow etc. In many of these places such facilities are lacking.”

5.6 Asked to state their reaction to the above view, the representative of the Ministry of Railways stated before the Committee :—

“I admit that there is some substance in this complaint. Most of the traffic which does not move either through parcel vans or by special trains, do require handling at junctions or transshipment stations. At these junctions which have been mentioned like Barauni, Agra, Lucknow and Mathura where the goods are to go from one place to other, if the connecting trains, is not running on time and it misses the connection, there is some delay. Thus the delay is occurring. The delay is also occurring when we find that due to the bunding of parcels room is not available in the brakevan. Whenever bunching of parcels occurs, the matter is reported and some special arrangements are made for creating extra room.

With regard to the handling difficulties and the storage facilities etc., these are all dealt with by us on the passenger platforms. Nowadays there is a huge rush on the platforms and it is very difficult to have modern handling system, which can be introduced in some other places. It is because a lot of inconvenience is caused to the passengers. So, the arrangements which

we have at present are not satisfactory and to what extent we will be able to improve this is again one of the items of study which we are undertaking under the perspective plan."

Shelters for Stocking Perishable at Railway Station

5.7 A Producers Association from Andhra Pradesh has stated that :—

"There are no shelters for stocking the perishables at the Railway Stations before they are loaded into the V. P.U.s (Parcel wagons). At present they are being stocked on the platforms which became most inconvenient for the movement of passengers on the platforms; besides these perishables are being subjected to damage by Sun and Shower. Therefore, we request the Railway Department to provide shelters to the perishable at the various stations from which these are transported. Adequate number of trolleys should also be provided for the easy movement of the parcel on the platforms and for loading into the parcel wagons."

5.8 Asked to state the details of the facilities generally available for storing perishables at the Railway Station before they are loaded on the trains, the representative of the Ministry stated :—

"Normally they are loaded from the parcel siding where normally there is some kind of protection. In some cases it is a fact that it is done on the passenger platforms where it causes lot of inconvenience to the passenger when these things are unloaded. There are certain sidings where there is no proper shelter against sun and rain. It is a fact that the facilities given to the trade are not commensurate with the expectations of the trade. We are trying in our perspective plan to size up the real extent of the problem. There are number of places like orange and banana growing stations, where there is some protection available. On what scale it should be? On which stations it should be provided? Is it all possible for us to segregate them from passenger platforms? In that case, if we take away from passenger side to the other siding areas, what steps have we taken? Now, for all those questions, in the next 6 months or so, we

will have the answer, which will show us clearly the extent of investment that is required and the necessary *inter se* priority to be given to them in the matter of provision of facilities."

5.9 The arrangements for storage and handling at the loading/unloading sites and transshipment points are at present admittedly not satisfactory. The lack of these facilities obviously causes considerable difficulties, delay and damage. The Committee are particularly concerned to note that there are not even proper shelters against sun and rain at the loading and unloading points. The Committee appreciate the frank admission of the representative of the Ministry of Railways that "it is a fact that the facilities given to the trade are not commensurate with the expectations of the trade" but expect concrete action to provide minimum facilities. Such of the facilities as could be provided with the accumulated 'Accident compensation, passenger safety and amenities fund' should be provided speedily. In this connection the Committee would invite reference to their observations contained in paragraph 1.13 of their 56th Report on 'Railway safety'. As a long term measure, the Committee note that Ministry of Railways would be studying the requirements for evolving the perspective plan for the movement of perishable traffic. The Committee have also been assured that an exercise in this regard would be completed within six months. The Committee would await the result of this exercise.

5.9A In this connection, the Committee commend the introduction of container system for transportation of perishable commodities transported in bulk in a phased manner so that pilferage, especially at loading unloading and transshipment points is prevented and handling of goods is easier.

CHAPTER VI

SETTLEMENT OF CLAIMS

Procedure

6.1 With regard to settlement of claims on account of loss/damage/pilferage etc. of perishable commodities it has been stated in a memorandum submitted to the Committee that :—

“The loss, damages, pilferage etc. is high in the case of perishable commodities and naturally the claims are also higher. The present claim settling process leaves much to be desired. In fact the Railways can study how the road transport is meeting the problem of claim settlement.”

6.2 Referring to the comparative efficiency between road transport and railways as also settlement of claims, representatives of non-official organisation stated before the Committee :

“As far as road transport is concerned, it is certainly safer and quicker. There is no doubt about it. Our practical experience is that the goods reach in about 2 or 3 days whereas the railways may take 10 to 12 days or even 15 days and in so many cases in road transport the damages are comparatively less and wherever damage takes place it is very less in road transport and they are quick to settle the claims on the spot and they give the money then and there.”

Further :—

“The railways do not carry these goods at the Railways risk, but on the owner's risk. In the event of damage or short delivery, the owner stands to lose very heavily. It is only in the case of total loss that the Railways entertain some claims.”

6.3 Asked to state the factual position as also their procedure for settlement of claims as compared to that of Road Transporters, the

Ministry stated in a written note that Perishable consignments were normally booked at owner's risk rate. Special arrangements were made to clear perishable traffic and a special watch was kept on the offering and clearance of the perishable.

6.4 An elaborate machinery existed on the zonal railways for dealing with settlement of claims for compensation. Claims for perishables were generally of low value and were settled expeditiously. Powers for claims settlement had also been delegated to certain Station Supdts./ Station Masters and Commercial Inspectors.

6.5 As far as the liability of a railway Administration in case of perishables normally moving under owner's risk rate was concerned it was governed under the provisions of Section 74 (3) of the Indian Railways Act, 1890. Under this provision, in case of consignments booked at owner's risk rate, the Railway Administration was not responsible for any loss, damage, destruction, deterioration or non-delivery in transit except upon proof that such loss, destruction, damage etc. were due to the negligence or misconduct of the Railway Administration or any of its staff.

6.6 It was true that a road transporter may settle claim for loss, damage etc. on the spot or more speedily than the railways as his clientele, field of operation and accountability were rather limited. Such a system, however, will not be feasible on the Railways where operation covers a much wider field and clientele and which being a Government Department have to follow certain prescribed norms and procedures in all transactions having financial implications. However, decentralisation to a large extent with a view to ensuring speedy settlement of claims has been affected on the Zonal Railways.

6.7 Perishable commodities could, however, also be booked at Railway risk by paying higher rate, viz. General Parcel Scale—A Rate.

Delays

6.8 With regard to delays in settlement of claims, it has been pointed out to the Committee that :—

“Wherever they entertained the claim, they took a very long time to settle the claims. Only in the case of the total destruction of the consignment they will entertain the claim but they will not entertain for partial damage or destruction. Here, the claims settlement machinery is such that it is a very time consuming machinery. Secondly, whenever they reject the claim, they will not assign any reason why they are rejecting the claim. Moreover, there is always some loophole for rejecting the claims. Here it is the same authority which is entertaining the claim as well as deciding the claim. There should be a more independent authority who should decide the claims. It should not be the railways. The Railways are a party and the customers are another party. So, some other authority should decide this matter. Some independent Tribunal or some independent machinery should decide this matter.”

6.9 Commenting on the above views the Ministry stated in a written note that the average time taken in settlement of all compensation claims was 40 days during 1981-82 and this tempo is being maintained. However, in certain type of cases, particularly involving heavy amount, settlement was prolonged for unavoidable reasons. For instance, claims arising from traffic moved over a number of Railways in succession and involving transshipment *en route* took longer time to complete enquiries. Settlement in some cases was also held up on account of non-submission of documents such as original railway receipt, beejuck, letter of authority etc. by the claimants which were essential for the verification of claims. Delays also occurred in cases where some criminal offence is suspected and the matter is investigated by police. However, it was the constant endeavour of the Railways to settle claims expeditiously having due regard to the Railway's liability under the provisions of the Indian Railways Act.

6.10 The recommendation of the Estimates Committees (1978-79) in its 39th Report, for setting up a Claims Tribunal for speedy and less expensive remedy to hear appeals against decisions of Railway Claims Officers had already been accepted by the Ministry of Railways. The modalities for setting up of claims Tribunals were under consideration of a high level Committee.

Evaluation of Damages

6.11 With regard to evaluation of loss in transit, it has been pointed out to the Committee that : -

“There should be a joint assessment by the Railways and the party concerned as in the case of insurance. In the case of fire insurance the extent of damage is evaluated by the Surveyor.”

6.12 Asked to state the Ministry's reaction to the above views, they stated in a written note that in the event of damage to a consignment, assessment of damage was done by railway staff/officers in the presence of the consignee or his authorised agent. Instructions already existed for obtaining the opinion of an independent/expert person drawn from some recognised body or association.

- (i) in case of a dispute between the consignee and the railway staff/officer assessing the damages ;
- (ii) and in case of a commodity for which expert opinion is required.

6.13 The Committee have received serious complaints about the manner of settling compensation claims by Railways and the time it takes. The claims arise because of the delay in transit and handling as well as lack of security on railways. The road transport on the other hand is reported to be far more safer and speedier and the claims relating thereto which are quite less, are settled almost on the spot. Earlier in this Report the Committee have dealt with the extent of theft, pilferage and damage in rail transport of perishable commodities for which compensation has been paid. It should be noted that possibilities of getting compensation in respect of goods booked at owner's risk are restricted and remote and that perishable commodities are almost wholly booked at owner's risk, railway risk rate being very high. The negligence or misconduct of the Railways or its staff will have to be proved to admit of claims. Thus the figures of compensation claims paid would not indicate the actual magnitude of loss and damage to the goods. The plight of poor growers and petty traders who find their goods lost or damaged can well be imagined. And the preference to road transport irrespective of the extra cost could also be well understood. Be that it may, the

Committee see no reason why the safety of the movement and speedy settlement of claims compared to road transport cannot be ensured by the railways. After all, the railways, though departmentally managed, are to be run on commercial lines. The Committee would, therefore, urge that on the basis of this Report proper facilities for movement of perishable commodities—storage, handling and in-transit—should be provided and security tightened up to ensure speedy and safe movement. Further rules and procedures for settlement of claims simplified and streamlined to ensure prompt settlement. Greater emphasis should be laid on the delegation of powers in regard to the processing and settlement of claims.

6.14 The Committee further recommend that while rejecting a claim the Railway Claims Officer concerned should record his reasons for rejecting the claim and these reasons should be communicated to the claimant.

6.15 In this connection the Committee recall that in their 39th Report (1978-79) they had recommended the setting up of a Claims Tribunal for speedy and less expensive remedy to hear appeals against decisions of Railway Claims Officers, which was reported to the Committee to have been accepted by the Ministry of Railways. The Committee take a serious view of the fact brought to their notice by the Ministry themselves that even after the lapse of 4 years “the modalities for setting up of Claims Tribunals were under consideration of a high level Committee.” The Committee desire that the modalities should be finalised and the Claims Tribunals set up within the next six months and the fact should be reported to the Committee.

NEW DELHI;

December 19, 1983

Agrahayana 28, 1905(S)

BANSI LAL,

Chairman

Estimates Committee.

APPENDIX

Statement of Recommendations/Observations

Sl.No.	Para	Recommendations/Observations
1	2	3
1.	1.13	<p>It is essential to ensure adequate arrangement for speedy and safe movement of horticultural and other perishable commodities in the interest of both producers and consumers. The Committee's examination of arrangement made by Railways regrettably revealed several deficiencies that persisted all along. The coordination between the concerned Ministries viz. Ministry of Agriculture and the Ministry of Railways, which is the primary requirement is by and large non existent. Neither of these Ministries has precise and upto date information as to production and demand for these commodities in the various regions to plan and provide for transport by rail. In fact, the railways unaware of the traffic demand and even the Ministry of Agriculture has not been maintaining statistics in regard to horticultural crops except a few. It was only recently that a group on transportation of perishable agricultural commodities was set up by the Ministry of Agriculture associating the railways. The report of the group submitted in 1981 is still under consideration for evolving a perspective plan by the railways and setting up a National Horticulture Board as an apex body by the Ministry of Agriculture in order to make proper transportation arrangements for horticultural products. The Committee would like</p>

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2.	1.14	<p>to know why no institutional arrangement has been thought of and proper planning done to ensure adequate, speedy and safe rail movement of perishable commodities so far.</p>
3.	2.23 & 2.24	<p>The Committee wish to emphasise that the deficiencies in regard to collection of statistic of production and demand regionwise and arrangements for transport of perishable commodities should be removed by making such institutional arrangements as may be needed and evolving a perspective plan for putting it through without delay.</p> <p>Perishable commodities are carried by rail at a concessional rate of tariff. However, admittedly the rate is in some cases higher than that charged for road movement. Further, through the Railways claim to substantially subsidise the rail movement of perishable commodities the Committee have been informed by a non-official organisation that with the surcharge levied the cost of rail transport exceeds the value of the goods. The Committee desire that the tariff rates and the rates of surcharge should be reviewed commodity-wise and readjusted with a view to ensuring that the transport cost remains reasonable having regard to the value of the goods and does not unduly depress the demand or make it very dear to consumers. After all the rail tariff should be determined on the basis of what the traffic can bear. The Committee would like to know the result of the review. Incidentally, it has been represented to the Committee that the slab system at present adopted for charging freight</p>

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for movement of perishable commodities operates harshly. The Committee recommend that this aspect also should be examined as part of the review suggested in the foregoing paragraph.

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2.24 A

The Committee appreciate that movement of perishable commodities at low tariff rates, even below operating costs, constitutes a heavy social burden. To reduce the social burden of the railways, the Committee suggest that a part of these social burdens should be borne by the general revenues of the Central Government. If such a course is adopted, the existing freight rates could be brought down to a reasonable level and their rise can be avoided in future.

5.

2.25

Though on paper highest priority is assigned for movement of perishable commodities, the Committee learn that irrespective of the demand the carriage by Mail/Express trains is restricted "to the extent room is available." This obviously creates uncertainties and difficulties to the industry and trade as urged before the Committee by their representatives. While in the long run adequate facilities should be available for fast movement of perishable commodities at least over long distance, there should be some short term measures to remove uncertainties. There should be some earmarking of space in fast trains depending upon the demand which should be made known to the prospective consignors. Necessary instructions in this regard should be issued to the Zonal Railways.

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6.	3.26	<p>Though the Railways have claimed to have met the requirements of goods traffic of perishable commodities except in a few areas, there is a widespread feeling of general inadequacy. In fact the traffic has declined substantially on Northern, Northeast Frontier and Southern Zones over the period 1979-80 to 1981-82 clearly indicating that the traffic shies away from rail on account of uncertainty and inadequacy of timely wagon availability. There is no scientific method of assessing the wagon requirement in advance and plan the movement of perishable goods traffic smoothly nor has there been any reliable market survey. Even in the case of small consignments which are accepted on first-come-first-served basis, the position seems to be equally unsatisfactory. Besides delay in transit there is considerable delay at loading and unloading points on account of various inadequacies in the system and bunching of traffic in the absence of proper movement plan. The Ministry of Railways had to admit this before the Committee in evidence. The Committee cannot but deprecate the adhocism that prevailed all along and the neglect that the movement of perishable commodities suffered thereby. Even if it was not possible to provide adequate facilities, the least that was expected was to ensure the best use of available facilities by removing uncertainties through proper planning and active coordination with the agencies and interest concerned.</p>
7.	3.27 & 3.28	<p>The Committee have been informed that a special cell is now being created to assess the requirements from field in concert with the Ministry of Agriculture. State Governments</p>

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and other agencies. The Committee wonder why such a step had not been thought of so far. They would urge that this should be implemented forthwith. They wish to add that the perspective plan for movement of perishable commodities referred to earlier in this Report should be drawn up on the basis of a reliable market survey which should enable projection of the demand for the future fairly accurately.

The Committee are of the view that ideally Railway as national carriers ought to be in a position to accept all the goods tendered for movement either by goods or by passenger trains. The consigners should not be compelled to move them by road at higher cost to themselves which also will not be in the interest of the economy. The perspective plan should therefore, be drawn up having regard to this basic principle.

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3.29

In the mix of traffic that the railways handle, perishable commodities are a class by themselves. The requirements for this traffic are distinctly different from those of the rest. The requirements are not only in terms of special in-transit conditions but also suitable storage and handling facilities at the loading and unloading as transshipment points. Further, these commodities are more susceptible to theft, pilferage and damage. In view of all these the Committee strongly feel that there should be effective consultation with the related interests. Accordingly they recommend that adequate representation of these interests should invariably be given on the Station/

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Divisional/Zonal Railway Users Consultative Committees.

9. 3.30

The Committee are concerned to learn that more than 30 per cent of cases of perishable commodities booked by rail are affected by theft, pilferage and damage. This is incredibly high. Further, lately 12 per cent of the total compensation claims paid by the Railways was in relation to these commodities. Going by the proportion of the perishable commodities to the total goods/parcel traffic in value terms, the compensation claims paid for these commodities is also very high. The position that has thus emerged shows that the perishable commodities are particularly badly handled by the Railways. The Committee expect the Ministry of Railways to take a serious note of this and take all possible steps to obviate theft, pilferage and damage and monitor the position effectively to progressively bring them down.

10. 4.23

In reply to Estimates Committee's recommendation in para 2.105 of their 10th Report (1980-81) on the Ministry of Railways-Transportation of Essential Commodities, the Ministry had *inter alia* stated that Food and Agriculture Organisation (FAO) were engaged in studying the 'wagon climate' in transit of fruits and vegetables like apples, mangoes, oranges, bananas, potatoes and onions etc. The Indian Railways were also associated with this project and they extended cooperation for the experiments being conducted by the Marketing Planning & Design Centre (MPDC) under the

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Ministry of Rural Development. The Ministry further stated that the MPDC were expected to make their recommendations based on experiments with regard to changes in design of rolling stock and to improve in-transit conditions. During evidence the Committee sought to know the latest position of the project as also the recommendations, if any, made by the MPDC. The representative of the Ministry informed the Committee that 'no specific recommendation was there'. The Committee desire that this project should be completed early and on the basis of the findings in regard to causes of in-transit deterioration, improved in-transit environment provided. The Committee would await further developments in this regard.

11.

4.24

The Committee note that at the behest and cost of the Ministry of Agriculture the Railways had manufactured 8 BG and 4 MG refrigerated vans basically for transporting fish and meat traffic, about two decades ago. There has been no further addition to this stock. Almost all the BG vans are stated to have outlived their normal life and are no more serviceable. The MG vans are, it is stated, not being used for want of traffic. The representative of the Ministry of Agriculture, however, pointed out to the Committee that this scheme of refrigerated vans was not given a fair trial and suggested that if an integrated plan of movement by refrigerated vans is drawn up this can prove to be a viable proposition. According to him, cold storages are also needed at both ends to loading and unload-

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ing. The Committee received memoranda from certain non-official who demanded that the use of refrigerated vans should not be dispensed with, rather these vans should be introduced for transportation of fruits, limes etc. over long distances. Although the Railways have made it appear that these vans are uneconomical, the Committee wonder whether the national loss involved in the damage and deterioration in the ordinary transportation is reckoned while coming to this conclusion. The Committee are of the view that the matter should be settled in consultation with the Ministry of Agriculture and the stock of refrigerated vans augmented simultaneously providing for cold storage facilities wherever necessary. The Committee would like to know the action taken in this regard. There obviously has been communication gap between the Ministries of Railways and Agriculture on this issue which should not persist any longer.

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The Committee further recommend that the design of parcel vans should be improved in order *inter alia* to provide better carrying capacity.

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4.26

The Committee note that at the end of March, 1983, on an average 10.9 per cent of the parcel vans held by the Railways remained out of track. In this connection they were particularly distressed to learn that in the Eastern Railway on an average 44.2 percent of wagons were out of track. This is highly unsatisfactory especially viewed in the context of the demand for perishable commodities that are

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not being met properly and calls for concerted measures to normalise the position in this railway. The Committee recommend that the Ministry of Railways should direct the Eastern Railway to undertake a crash programme in this behalf and see that it is implemented in the shortest possible time.

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5.9

The arrangements for storage and handling at the loading/unloading sites and transshipment points are at present admittedly not satisfactory. The lack of these facilities obviously causes considerable difficulties delay and damage. The Committee are particularly concerned to note that there are not even proper shelters against sun and rain at the loading and unloading points. The Committee appreciate the frank admission of the representative of the Ministry of Railways that "it is a fact that the facilities given to the trade are not commensurate with the expectations of the trade" but expect concrete action to provide minimum facilities. Such of the facilities as could be provided with the accumulated 'Accident compensation, passenger safety and amenities fund' should be provided speedily. In this connection the Committee would invite reference to their observations contained in paragraph 1.13 of their 56th report on 'Railway Safety'. As a long term measure, the Committee note that the Ministry of Railways would be studying the requirements for evolving the perspective plan for the movement of perishable traffic. The Committee have also been assured that an exercise in this regard would be completed within six months.

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		The Committee would await the results of this exercise.
15	5.5A	In this connection, the Committee commend the introduction of container system for transportation of perishable commodities transported in bulk in a phased manner so that pilferage, especially at loading unloading and transshipment points is prevented and handling of goods is easier.
16	6.3	The Committee have received serious complaints about the manner of settling compensation claims by Railways and the time it takes. The claims arise because of the delay in transit and bad handling as well as lack of security on railways. The road transport on the other hand is reported to be far more safer and speedier and the claims relating there to which are quite less, are settled almost on the spot. Earlier in this Report the Committee have dealt with the extent of theft, pilferage and damage in Rail transport of perishable commodities for which compensation has been paid. It should be noted that possibilities of getting compensation in respect of goods booked at owner's risk are restricted and remote and that perishable commodities are almost wholly booked at owner's risk, railway risk rate being very high. The negligence or misconduct of the Railways or its staff will have to be proved to admit of claims. Thus the figures of compensation claim paid would not indicate the actual magnitude of loss and damage to the goods. The plight of poor growers and petty traders who find their goods

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lost or damaged can well be imagined. And the preference to road transport irrespective of the extra cost could also be well understood. Be that as it may, the Committee see no reason why the safety of the movement and speedy settlement of claims compared to road transport cannot be ensured by the railways. After all, the railways, though departmentally managed, are to be run on commercial lines. The Committee would, therefore, urge that on the basis of this Report proper facilities for movement of perishable commodities-storage, handling and in-transit-should be provided and security tightened up to ensure speedy and safe movement. Further, rules and procedures for settlement of claims simplified and streamlined to ensure prompt settlement. Greater emphasis should be laid on the delegation of powers in regard to the processing and settlement of claims.

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6.14

The Committee further recommend that while rejecting a claim the Railway Claims Officer concerned should record his reasons for rejecting the claim and these reason should be communicated to the claimant.

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6.15

In this connection the Committee recall that in their 39th Report (1978-79) they had recommended the setting up of a Claims Tribunal for speedy and less expensive remedy to hear appeals against decisions of Railway Claims Officers, which was reported to the Committee to have been accepted by the Ministry of Railways, The Committee take a serious view of the fact brought to their

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notice by the Ministry themselves that even after the lapse of 4 years "the modalities for setting up of Claims Tribunals were under consideration of a high level Committee." The Committee desire that the modalities should be finalised and the Claims Tribunals set up within the next six months and the fact should be reported to the Committee.

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