

HUNDRED AND TWENTY-SIXTH REPORT

PUBLIC ACCOUNTS COMMITTEE (1982-83)

(SEVENTH LOK SABHA)

CENTRAL RAILWAY—IDLING OF IMPORTED INVERTORS AND DEPOSIT WORKS ON RAILWAYS

MINISTRY OF RAILWAYS
(RAILWAY BOARD)

[Action taken on 68th Report (Seventh Lok Sabha)]



सत्यमेव जयते

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LOK SABHA SECRETARIAT
NEW DELHI

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Corrigenda to 126th Report of Public Accounts
Committee (Seventh Lok Sabha).

Page	Line(s)	For	Read
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24	10	investors	invertors
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25	3, 6, 9	are	arc
	21	Recommend-	Recommend-
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26	22	more	mere
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33	21	virmins	virmins
	23	importig	importing
34	22	fall	feel
35	6	ot	not
	10	is	in
38	17	Genera	General

CONTENTS

	PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE	(iii)
INTRODUCTION	(v)
CHAPTER I . . . Report.	1
CHAPTER II, . . . Recommendations or observations that have been accepted by Government.	8
CHAPTER III . . . Recommendations or observations which the Committee do not desire to pursue in the light of the replies received from Government.	24
CHAPTER IV . . . Recommendations or observations replies to which have not been accepted by the Committee and which require reiteration.	28
CHAPTER V . . . Recommendations or observations in respect of which Government have furnished interim replies.	29
APPENDICES I . . . Letter No. 82/WI/PAC/1 dated 9-8-1982 issued by the Ministry of Railways (Railway Board) to all the General Managers, Indian Railways.	30
II . . . Statement of Recommendations and Observations.	33
PART II	
Minutes of the sitting of the Public Accounts Committee (1932-33) held on 29-1-1983 (FN)	36
Annexure to the Minutes.	38

PUBLIC ACCOUNTS COMMITTEE

(1982-83)

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INTRODUCTION

1, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this 126th Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 68th Report (Seventh Lok Sabha) relating to Central Railway—Idling of imported invertors and Deposit Works on Railways.

2. In the 68th Report, the Committee had commented upon the unsatisfactory performance of seven silicon rectifiers with thyristor equipment imported by the Railways against orders placed for 2 sets in November, 1969 and 5 sets in September 1970. While two of the invertors were damaged during storage, the performance of the other five invertors has not been found satisfactory even after carrying out necessary repairs. After recommissioning, three of the five sets worked for 70 to 90 per cent of the total time and the other two worked only for 47.7 per cent and 25 per cent of the time. The Committee have, therefore, reiterated their earlier observations that the investment made by the Railways on these invertors has not yielded the desired results. The Committee have urged the Ministry of Railways to exercise more caution while importing new technology and ensure that only such equipment which has been fully tried and tested elsewhere, is brought into the country. With regard to the two damaged invertors, the Committee have urged that necessary investigations be completed without further loss of time and their performance after recommissioning reported to the Committee.

3. Referring to the huge arrears (Rs. 336.52 lakhs) outstanding against Government Departments and private firms/individuals on whose behalf deposit works were undertaken by the Railways, the Committee have also enjoined upon the Railway Board to keep a close watch and ensure compliance with the instructions issued to the Zonal Railways in pursuance of the recommendations made in the earlier Report and to see that individual responsibility is fixed for negligence in observing the rules and orders in this regard.

4. The Committee considered and adopted this Report at their sitting held on 29 January, 1983. Minutes of the sitting form Part II of the Report.

5. For reference facility 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 II to the Report.

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

NEW DELHI;

February 4, 1983

Magha 15, 1904 (S).

SATISH AGARWAL

Chairman,

Public Accounts Committee.

CHAPTER I

REPORT

This Report of the Committee deals with the action taken by Government on the Committee's recommendations/observations contained in their 68th Report (Seventh Lok Sabha) on paragraphs 11 and 19 of the Advance Report of the Comptroller & Auditor General of India for the year 1979-80, Union Government (Railways) relating to (i) Central Railway—Idling of imported invertors and (ii) Deposit Works on Railways.

2. The Committee's Sixty-eighth Report (Seventh Lok Sabha) was presented to Lok Sabha on 24th December, 1981. It contains 27 recommendations/observations. Action Taken Notes on all these recommendations/observations have been received from the Government and these have been broadly categorised as follows:—

- (i) Recommendations or observations that have been accepted by Government:

Sl. Nos. 1, 2, 5—12, 16—24, 26 and 27.

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

Sl. Nos. 3, 4 and 13—15.

- (iii) Recommendations or observations replies to which have not been accepted by the Committee and which require reiteration:

Nil

- (iv) Recommendation or observation in respect of which Government have furnished interim reply:

Sl. No. 25.

3. The Committee expect that final reply to the recommendation in respect of which only interim reply has so far been furnished, will be submitted soon after getting it vetted by Audit.

4. The Committee will now deal with the action taken by Government on some of their recommendations/observations.

Unsatisfactory performance of imported invertors
(S. Nos. 9—12, Paras 1.87—1.90)

5. In para 1.87 of the 68th Report, the Committee had observed:—

“The Committee are surprised to note that one out of the 7 invertors has not so far been erected and commissioned because it developed extensive damages/corrosion due to seepage of water and long storage. The equipment when received at site was inspected jointly by M/s. NGEF and Railways in February, 1975 and no damage was noticed. However, when the equipment was taken for erection in August, 1978, it was again inspected jointly by M/s. NGEF and Railways and at that time damage due to seepage of water/moisture was noticed. It is therefore clear that adequate precautions were not taken during the storage of this invertor. The Committee would like the Ministry of Railways to investigate the precise reasons for the damage caused to this invertor and fix responsibility for the same.”

6. In their action taken note dated 9 September, 1982, the Ministry of Railways (Railway Board) have stated:—

“M/s NGEF have taken an insurance policy covering safety of the equipment during its storage. However, as desired by the Committee, General Manager, Central Railway has been asked to nominate a Committee of three Senior Administrative Officers to investigate the matter in detail and fix responsibility. A copy of the report of the investigating Committee and the action taken thereon will be furnished to the P.A.C. in due course.”

7. In para 1.88, the Committee further observed:

“The Committee have been informed that M/s NGEF have undertaken repair of this invertor at their Works at Bangalore and that it is expected to be erected and commissioned by June, 1982. The Committee would like to be informed of the latest position in this regard.”

8. The Ministry of Railways (Railway Board) have stated:

"The inverter transformer has been repaired by M/s NGEF. The repair and erection was completed on 29-6-82. Commissioning tests, field trial and field adjustment were completed on 5-8-82 and since then the equipment is working satisfactorily."

9. Referring to the performance of another imported inverter installed at Tambadmal, the Committee had stated:—

"The Committee regret to note that the inverter at Tambadmal which was commissioned on 30 March, 1977 went out of order in November, 1978. During this period the inverter worked for 99 out of total number of 581 days. The damage to the inverter is stated to be due to insulation of a number of control wires having been eaten away by vermins/rodents. According to the Ministry of Railways the special control spares and connectors were not procured alongwith the equipment which have been ordered by the Central Railway. The Committee are unhappy at the fact that the inverter remained unutilised for about three years for want of necessary components after it was damaged in November, 1978. They would like that the circumstances in which control wires were damaged and the reasons for delay in importing components and effecting repairs to the inverter be thoroughly investigated and suitable action in the matter taken."

10. In their action taken note dated 9 September, 1982, the Ministry of Railways (Railway Board) have stated:—

"As desired by the Committee, General Manager, Central Railway has been advised to get the matter examined in detail by the Committee to be appointed by him vide para 1.87 with regard to circumstances leading to damage to control wires and delay in importing components and effecting repairs. A copy of the report of the Investigating Committee and the action taken thereon will be furnished to the P.A.C. in due course."

11. Commenting upon the unsatisfactory performance of the remaining five inverters, the Committee had in para 1.90 of the 68th Report (Seventh Lok Sabha) observed as under:—

"The Committee note that although adequate inspection and pre and post-commissioning tests were stated to have

been carried out by the engineers of M/s. AEG/NGEF in the presence of Railway engineers, the performance of the remaining five invertors after commissioning has been highly unsatisfactory as is evident from the fact that the inverter at Kasara worked for only 12 out of 60 days after commissioning. The inverter at Thakurwadi worked for only 30 out of 643 days. The remaining three invertors also worked for 77, 116 and 155 days only and one of these invertors worked for more than 20 per cent of days since commissioning. Although the the Ministry of Railways (Railway Board) have claimed that the performance of these invertors after re-commissioning has been fairly satisfactory, the same is not borne out by the data supplied by the Ministry of Railways. One of these invertors erected at Oombermali has worked for only 142 days out of 561 days after re-commissioning. The inverter at Kasara worked for only 270 days out of 566 days. The Committee cannot but conclude that the investment made in the purchase of these invertors has remained by and large unfructified and the Railways have not been able to derive the expected benefit out of the investment. The Committee would like to express their unhappiness at this state of affairs."

12. In their action taken note dated 9 September 1982, the Ministry of Railways (Railway Board) have stated:—

"It is not unusual for sophisticated equipment of this type to have some teething problems. As explained during proceedings of the Committee, while these problems were mainly confined to peripheral equipments, like control cards etc., the main power equipment was functioning properly.

After detailed investigations by the manufacturer, remedial action was taken and the sets were recommissioned. It will be noted that three sets out of five recommissioned worked for 70 to 90 per cent, one set for 47.7 per cent of the total time. One set, however, worked only for 25.3 per cent of the time. The performance of invertors after recommissioning could, therefore, generally be stated as reasonably satisfactory."

13. In the 68th Report (Seventh Lok Sabha) the Public Accounts Committee had commented upon the unsatisfactory performance of seven silicon rectifiers with thyristor equipment imported by the Railways against orders placed for 2 sets in November, 1969 and 5 sets in September, 1970. One of these invertors could not be erected and commissioned till June, 1982 because of damage/corrosion caused by long storage. The Committee had desired responsibility to be fixed for the damage. In regard to another inverter erected at Tambadmal and commissioned in March, 1977, the Committee had pointed out that the inverter had stopped functioning within nine months of commissioning due to insulation of a number of control wires having been eaten by vermins/rodents. The Committee had desired that the circumstances in which control wires were damaged and the reasons for delay of about three years in importing necessary components and effecting repairs should be thoroughly investigated.

14. The Committee regret to observe that after as many as nine months of presentation of their Report, the only step taken by the Ministry of Railways in response to their recommendation is to have asked the General Manager, Central Railway to nominate a Committee of three Senior Officers to go into circumstances leading to the damage in these cases and to ascertain the reasons for delay in carrying out the repairs to the second inverter. The Committee deprecate the leisurely manner in which the Ministry of Railways are proceeding in these cases. The Committee urge that necessary investigations be completed without further loss of time and the findings/remedial action taken should be reported to them within three months. The Committee would also like to be apprised of the performance of these two invertors after repairs/recommissioning.

15. So far as the other five invertors are concerned, the Committee observe that even after repairs/recommissioning, the performance of these sets has not been satisfactory. Three of the sets worked for 70 to 90 per cent of the total time while two of them worked for only 47.7 per cent and 25 per cent of the time. It is strange that the Ministry of Railways should claim that the performance of invertors after recommissioning could generally be stated as reasonably satisfactory. The Committee, however, feel that this reinforces their earlier observations that the investment made by the Railways on these invertors has not yielded the desired results. The Committee expect that the Ministry of Railways would observe more caution while importing new technology and ensure that only such equipment which has been fully tried and tested elsewhere is brought into the country.

Arrears for deposit works

(S. Nos. 21, 22, 26 and 27, Paras 2.49, 2.59, 2.50, 2.54 and 2.55)

16. Drawing attention to the huge arrears (Rs. 336.52 lakhs) outstanding against Government Departments and private firms/individuals on whose behalf deposit works were undertaken by the Railways, the Committee had in the 68th Report recommended, *inter alia*, as follows:—

- (i) In all cases of excess expenditure incurred by the Railways without obtaining prior concurrence of the parties concerned or getting the amount deposited in advance, individual responsibility for the failure should be fixed and necessary remedial action taken so that such lapses do not recur. (Para 2.49).
- (ii) The progress of expenditure on every individual work should be watched carefully and completion report prepared within six months after completion of the work, so that final accounts may be settled with the party concerned without loss of time. (Para 2.50).
- (iii) Railways should not as a matter of rule agree to requests for waiving of departmental charges save in exceptionally genuine circumstances, such waiver being decided at the level of the Railway Board. (Para 2.54).
- (iv) The Railways should examine the desirability of getting annual maintenance charges deposited by the concerned parties in advance and in case of failure to do so, the Railways should not undertake the maintenance of such works. (Para 2.55).

17. In their action taken notes dated 9 September, 1982 the Ministry of Railways have stated that necessary instructions have been issued to the Railways in compliance with the recommendations of the Committee. The same are reproduced in Appendix I. Some of the important instructions are:—

- (i) The deposit work/siding when completed should not be certified for commissioning and handed over to the Parties for operation without first realising the full cost of the work.
- (ii) Waival of the departmental charges should be resorted to very sparingly and waiver should be permitted under the

personal orders of the General Managers after consulting FA & CAOs.

- (iii) Recovery of operation and maintenance charges for the deposit works in advance at the beginning of the financial year relevant period, should be strictly ensured. Whenever these charges are not paid in advance, operation of the siding should be stopped till the annual charges are paid by the parties.
- (iv) Individual responsibility be fixed for negligence in observing the rules & orders for the execution, maintenance and recovery of costs thereof.

18. The Committee are glad to note that in compliance with their recommendations, the Ministry of Railways have issued necessary instructions to the Zonal Railways enjoining them to ensure, inter alia, that (i) the deposit work/siding when completed is not certified for commissioning and handed over to the parties for operation without first realising the full cost of the work; (ii) waiver of the departmental charges is resorted to very sparingly and that too under the personal orders of the General Manager in consultation with his F.A. & C.A.O.; (iii) operation and maintenance charges are recovered in advance failing which operation of the siding is stopped and (iv) individual responsibility is fixed for negligence in observing the rules and orders governing deposit works. The Committee expect that the Railway Board would keep a close watch and ensure that the instructions are followed in letter and spirit by the zonal administrations.

CHAPTER II

RECOMMENDATIONS OR OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

In order to step down the current when taken from the mains from the power house to a low voltage and convert when necessary from AC to DC, Rotary Convertors were being used in the Central Railway. These convertors were installed in 1929 and the expected life of these convertors was 25-30 years. The Railway Administration contemplated in 1961 replacement of these overaged convertors, but it was only in November, 1969 that orders for 2 silicon rectifiers with thyristor equipment were placed with M/s. NGEF, Bangalore who were to obtain these from their collaborators M/s. ABG Telefunken, West Germany. In September 1970, the Ministry of Railways (Railway Board) placed a direct order for the supply of five sets of these rectifiers on the West German firm who had no previous experience of supplying these equipments for railway traction.

[S. No. 1 (Para 1.79) of Appendix IV to 68th Report of PAC
(7th Lok Sabha)]

Action taken

During the decade 1960 to 1970 there has been substantial change in technology of Rectifier/Invertor equipment. In the Rectifier mode, i.e. for converting from AC to DC, rotary convertors were first replaced by mercury arc rectifiers which in turn were replaced by silicon rectifiers. In the inversion mode, i.e. from DC to AC, it was apparent that the old rotary convertors had become obsolete and the Railways had to look out for modern technology. This necessitated correspondence with other railway systems through the Railway Advisers, abroad, which took some time.

Before the order was placed in September 1970 with NGEF, Bangalore, orders for 4 sets had already been placed in 1967 for mercury arc type of equipment for rectified as well as inversion mode.

As regards previous experience of the West German firm, it was clarified during the proceedings of the Committee, that although M/s. AEG had not supplied invertors for traction-sub-station duty. M/s. AEG had sufficient experience in thyristor technology, and, they had supplied sizeable quantity of such equipment for rolling stock and industrial applications, where duty involved is similar in nature to that in sub-stations. The firm was, therefore, considered competent to supply such equipment.

[Ministry of Railways (Railway Board) O.M. No. 81-BC-PAC/VII/68 (1-19) dated 9-9-1962.]

Recommendation

The Committee are surprised to note that although the rotary convertors in the Central Railway were installed in 1929 and the expected life of these convertors expired in 1959, no advance planning was done to obtain replacement for these convertors and it was only in 1961 that the Railway Administration contemplated the replacement of these convertors. It took another eight years for the Railway to actually place an order for the purchase of equipment to replace these convertors. This clearly indicates that there has been an absence of any perspective planning on the part of Railways. Moreover, the fact that Railways took as much as 6 years in placing orders for the equipment clearly indicates that the entire matter was dealt with in a casual manner. The Committee would like to emphasise that the Railways should take action to decide about the replacement of overaged equipment much in advance of the replacement becoming due and once a decision in this regard is taken, prompt action should be taken to place orders and obtain the equipment so that these may be installed and commissioned in time.

[S. No. 2 (Para 1.80) of Appendix IV to 68th Report of PAC (7th Lok Sabha)]

Action taken

Planning for replacement of equipments is done on age-cum-condition basis, keeping generally in view the codal life of the equipment. However, the determining factor remains the condition of the equipment to be replaced. Although the codal life of the rotary convertors had expired in 1959, these equipment continued to be in service till they were replaced by thyristor equipment. Reasons for some delay in replacements are already indicated in reply to para 1.79 above.

The Committee's observations in the conclusion to para 1.80 are, however, noted for future.

[Ministry of Railways (Railway Board) O.M. No. 81-BC-PAC/VII/68 (1-19) dated 9-9-1982]

Recommendation

The Committee note that silicon rectifiers with inversion facilities were at that time being used for railway traction in France and USSR only. The Railway Board have stated that no firm in France was anxious to transfer the technology to India due to the distance involved. As regards USSR it has been stated by the Railway Board that as the equipment was being bought under IDA loan, USSR was not qualified to bid for the tender. The Committee appreciate why the Railways did not make any effort to get this technology transferred on Government to Government basis. The Committee would like to caution the Government against going in for untested technology from firms who have no previous experience in the line simply because easy finance is available from some foreign source.

[S. No. 5 (Para 1.83) of Appendix IV to 68th Report of PAC (7th Lok Sabha)]

Action taken

As stated vide para 1.79, M/s. AEG on whom the order was placed, had sufficient experience in thyristor technology and they had supplied lot of such equipment for Rolling Stock application where duty involved was similar to that in sub-stations. However, the observations of the Committee are noted.

[Ministry of Railways (Railway Board) O.M. No. 81-BC-PAC/VII/68 (1-19) dated 9-9-1982]

Recommendation

The Committee note that orders for five invertors to be supplied by the West German firm were placed on 24 September, 1970 and as per contract these were to be supplied by 31 August 1971. However, these were actually shipped in April, 1974. These were erected and commissioned between March, 1977 and June, 1978 by which time their warranty period had expired. The Ministry of Railways have explained that such a long time was taken in shipment, erection and commissioning because the firm had to develop the design, get it approved by the Railway authorities of India and then tested.

The Committee fail to understand that when the Railway Administration was well aware of the different processes that had to be gone through before the supply of these invertors, why the target date for the shipment was fixed for less than a year. The Committee would like to express their unhappiness at the growing tendency on the part of Government Departments to fix unrealistic target dates for commissioning of projects which subsequently not only bring a bad name to the Government but also results in disappointment and frustration amongst the likely beneficiaries.

[S. No. 6 (Para 1.84) of Appendix IV to 68th Report of PAC
(7th Lok Sabha)]

Action taken

As the equipment of this type was being procured for the first time, sufficient experience did not exist in the railways with regard to the time schedule for finalisation of designs, testing and commissioning of the equipment etc. The Committee's observations are however, noted for future guidance.

[Ministry of Railways (Railway Board) O.M. No.
81-BC-PAC/VII/68 (1-19) dated 9-9-1982]

Recommendation

In this connection, the Committee find that the Railways took nearly two years in approving the designs and drawings and clearance was given to the firm to ship all equipment in March, 1974 only. The Committee consider that the Railways took unduly long time in giving clearance to the design and drawings submitted by the firm. Such delays the Committee expect, will be future be avoided.

[S. No. 7 (Para 1.85) of Appendix IV to 68th Report of PAC
(7th Lok Sabha)].

Action Taken

As the designs for thyristor invertors equipment were being developed for the first time, it naturally took a little longer for finalisation of the same. The Committee's observations are, however, noted for future.

[Ministry of Railways (Railway Board) O.M. No. 81-BC-PAC/VII/68 (1-19) dated 9-9-1982]

Recommendation

The Committee have been informed that a number of sub-stations were located in isolated places some of which were hilly areas away from Railway Stations and some of them not approachable by road. This resulted in delay in construction of sub-station buildings and railway sidings thereby causing further delay in erection and commissioning of the invertors. The Committee consider that the job of erection and commissioning of these invertors was not taken up with the seriousness which it deserved. The Committee fail to understand why action was not taken to construct sub-station buildings in time to synchronise with the arrival of invertors at Bombay. Moreover, the shipment of invertors was so delayed by 2 to 3 years and there is no reason why the buildings were not ready even within the extended time that became available to the Railways. This is a clear case of faulty planning and lack of anticipation on the part of the Railways.

[S. No. 8 (Para 1.86) of Appendix IV to 68th Report of PAC (7th Lok Sabha)].

Action taken

Although adequate care is taken during planning of projects, certain unforeseen developments like failures of civil engineering contractors etc., do take place at times. These factors as well as very difficult access of site by road in the ghat sections resulted in some delay in the construction of sub-station buildings. The experience gained will, however, help in planning of such projects in future.

[Ministry of Railways (Railway Board) O.M. No. 81-BC-PAC/VII/68 (1-19) dated 9-9-1982]

Recommendation

The Committee are surprised to note that one out of the 7 invertors has not so far been erected and commissioned because it developed extensive damages/corrosion due to seepage of water and long storage. The equipment when received at site was inspected jointly by M/s. NGEF and Railways in February, 1975 and no damage was noticed. However, when the equipment was taken for erection in August, 1978, it was again inspected jointly by M/s. NGEF and Railways and at that time damage due to seepage of water/moisture was noticed. It is therefore clear that adequate precautions were not taken during the storage of this invertor.

The Committee would like the Ministry of Railways to investigate the precise reasons for the damage caused to this inverter and fix responsibility for the same.

[S. No. 9 (Para 1.87) of Appendix IV to 68th Report of PAC
(7th Lok Sabha)].

Action Taken

M/s. NGEF have taken an insurance policy covering safety of the equipment during its storage. However, as desired by the Committee, General Manager, Central Railway has been asked to nominate a Committee of three Senior Administrative Officers to investigate the matter in detail and fix responsibility. A copy of the report of the investigating Committee and the action taken thereon will be furnished to the P.A.C. in due course.

[Ministry of Railways (Railway Board) O.M. No. 81-BC-PAC/VII/68 (1-19) dated 9-9-1982]

Recommendation

The Committee have been informed that M/s. NGEF have undertaken repair of this inverter at their Works at Bangalore and that it is expected to be erected and commissioned by June, 1982. The Committee would like to be informed of the latest position in this regard.

[S. No. 10 (Para 1.88) of Appendix IV to 68th Report of PAC
(7th Lok Sabha)].

Action Taken

The inverter transformer has been repaired by M/s NGEF. The repair and erection was completed on 29-6-1982. Commissioning tests, field trial and field adjustment were completed on 5-8-1982 and since then the equipment is working satisfactorily.

[Ministry of Railways (Railway Board) O.M. No. 81-BC-PAC/VII/68 (1-19) dated 9-9-1982]

Recommendation

The Committee regret to note that the inverter at Tambadmal which was commissioned on 30 March, 1977 went out of order in November, 1978. During this period the inverter worked for 99 out of total number of 581 days. The damage to the inverter is

stated to be due to insulation of a number of control wires having been eaten away by vermins/rodents. According to the Ministry of Railways the special control spares and connectors were not procured alongwith the equipment which have been ordered by the Central Railway. The Committee are unhappy at the fact that the inverter remained unutilised for about three years for want of necessary components after it was damaged in November, 1978. They would like that the circumstances in which control wires were damaged and the reasons for delay in importing components and effecting repairs to the inverter be thoroughly investigated and suitable action in the matter taken.

[S. No. 11 (Para 1.89) of Appendix IV to 68th Report of PAC (7th Lok Sabha)].

Action Taken

As desired by the Committee, General Manager, Central Railway has been advised to get the matter examined in details by the Committee to be appointed by him *vide* para 1.87 with regard to circumstances leading to damage to control wires and delay in importing components and effecting repairs. A copy of the report of the Investigating Committee and the action taken thereon will be furnished to the P.A.C. in due course.

[Ministry of Railways (Railway Board) O.M. No. 81-BC-PAC/VII/68 (1-19) dated 9-9-1982]

Recommendation

The Committee note that although adequate inspection and pre and post-commissioning tests were stated to have been carried out by the engineers of M/s. AEG/NGEF in the presence of Railway engineers, the performance of the remaining five invertors after commissioning has been highly unsatisfactory as is evident from the fact that the inverter at Kasara worked for only 12 out of 60 days after commissioning. The inverter at Thakurwadi worked for only 30 out of 643 days. The remaining three invertors also worked for 77, 116 and 155 days only and none of these invertors worked for more than 20 per cent of days since commissioning. Although, the Ministry of Railways (Railway Board) have claimed that the performance of these invertors after re-commissioning has been fairly satisfactory, the same is not borne out by the data supplied by the Ministry of Railways. One of these invertors erected at Oombermali has worked for only 142 days out of 561 after re-commissioning. The inverter at Kasara worked for only 270 days out of 566

days. The Committee cannot but conclude that the investment made in the purchase of these invertors has remained by and large unfructified and the Railways have not been able to derive the expected benefit out of the investment. The Committee would like to express their unhappiness at this state of affairs.

[S. No. 12 (Para 1.90) of Appendix IV to 68th Report of PAC
(7th Lok Sabha) 1.

Action Taken

It is not unusual for sophisticated equipment of this type to have some teething problems. As explained during proceedings of the Committee, while these problems were mainly confined to peripheral equipment like control cards etc., the main power equipment was functioning properly.

After detailed investigations by the manufacturer, remedial action was taken and the sets were recommissioned. It will be noted that three sets out of five recommissioned worked for 70 to 90 per cent, one set for 47.7 per cent of the total time. One set, however, worked only for 25.3 per cent of the time. The performance of invertors after recommissioning could, therefore, generally be stated as reasonably satisfactory.

[Ministry of Railways (Railway Board) O.M. No. 81-BC-PAC/VII/68 (1-19) dated 9-9-1982]
(7th Lok Sabha)]

Recommendation

The Committee note that when the Railway Administration decided to go in for silicon rectifiers with inversion facilities in replacement of the existing overaged rotary convertors, the value of the regenerated energy was estimated to be Rs. 40 lakhs per annum. However, according to the Ministry of Railways the total value of regenerated energy per annum based on 1979-80 generation costs comes to Rs. 3.5 lakhs only. This has resulted in avoidable loss of Rs. 36.5 lakhs every year. The loss would be much more if the fact that the current rate per unit is 29 paise against 11.9 paise which was the rate when the figure of Rs. 40 lakhs was worked out, is taken into account. The Committee find that the shortfall of energy is not only due to the poor performance of the invertor equipment but also due to the delay in providing the requisite regenerating braking facilities to the goods as well as passenger locomotives. The

Committee regret to note that against 125 locomotives which were expected to be fitted with the regenerative braking equipment for capacity utilisation of the seven inverter and on the basis of which the earlier assumption of the estimates value of regenerated energy of Rs. 40 lakhs per annum had been calculated, only 37 locomotives i.e. 34 out of 49 passenger locos and 3 out of 57 goods locos have so far been provided with the regenerative braking facilities.

[S.No. 16 (Para 1.94) of Appendix IV to 68th Report of PAC
(7th Lok Sabha)]

Action Taken

The delay has been mainly due to failure of regeneration equipment supplied by M/s BHEL, and, unduly long time taken by them, both in investigation of failures, and, consequential modification of the equipment.

[Ministry of Railways (Railway Board) O.M. No. 81-BC-PAC/
VII/68 (1-19) dated 9-9-1982]

Recommendation

As regards the delay in the case of goods locomotives the Ministry of Railways have informed the Committee that initially regenerative equipment for 15 locos was supplied by BHEL, who had developed this equipment for the first time, but they did not work satisfactorily. Recently 5 sets have been modified and fitted on 5 locos and their performance has been found to be reasonably satisfactory. Arrangements are being made to procure the balance regenerative equipment so that the entire fleet of 57 WCG/2 locos could be fitted with such equipment. The Committee are unable to appreciate why action to procure this particular equipment for the goods locos was not initiated well in advance particularly when it was known that without equipping the goods locos with it the regeneration of energy will not be possible. Further, since BHEL was developing this equipment for the first time the Railways should have been more cautious to see that the equipment for all locos is received timely and was free from any defect. The Committee recommend that at least now the Railway Administration should take immediate steps to provide regenerative braking facilities in all the locomotives on the basis of a time-bound programme so that the contemplated benefit could be derived from these invertors.

[S.No. 17 (Para 1.95) of Appendix IV to 68th Report of PAC
(7th Lok Sabha)]

Action Taken

Since the regeneration equipment was being developed by M/s BHEL for the first time, a trial order was placed for 15 loco sets initially. However, due to unsuccessful working of this equipment a number of modifications had to be carried out by M/s BHEL. The improved equipment now fitted in 5 locos is working satisfactorily. A decision has been taken to place an order with M/s BHEL for supply of regeneration equipment for all the balance locomotives on a time-bound programme for which details are being worked out.

[Ministry of Railways (Railway Board) O.M. No. 81-BC-PAC/VII/68 (1—19) dated 9-9-1982]

Recommendation

From the foregoing paragraphs it is evident that even though the rotary convertors had become overaged by more than two decades and their replacement could not be deferred and contracts for two rectifiers with inversion facilities for this purpose and five more thyristor equipment (invertors) for new sub-stations were awarded as far back as in 1969 and 1970 respectively the position at present is far from satisfactory. Out of the 7 invertor only five are working and even their capacity utilisation is below the desired level. The investment of Rs. 1.04 crores on five invertors had remained unfructified for about six years and the investment (Rs. 0.41) on the remaining two continues to remain unfructified. Contrary to the initial estimated value (Rs. 40 lakhs per annum) of regenerated energy, the total value of regenerated energy based on 1979-80 generation costs comes to Rs. 3.5 lakhs only. The Committee at this stage cannot but express their dissatisfaction over the avoidable delays such as in awarding the contract, approving design and drawing details, commissioning of the invertors and lack of proper planning and monitoring at various stages.

[S. No. 18 (Para 1.96) of Appendix IV to 68th Report of PAC (7th Lok Sabha)]

Action Taken

As stated earlier, there has been some delay in finalisation of designs etc. as well as commissioning of the equipment as this type of equipment was being procured by Indian Railways for the first time. It is, however, expected that the experience gained will go a long way in avoiding delays in future projects of this type.

[Ministry of Railways (Railway Board) O.M. No. 81-BC-PAC/VII/68 (1—19) dated 9-9-1982]

Recommendation

The Committee hope that suitable steps would be taken early to re-commission the remaining two invertors and utilise all the seven invertors to the maximum possible extent and to narrow down the gap of Rs. 36.5 lakhs at 1968 price worth of energy per annum not being recovered by providing all the passenger and goods locos with the regenerating braking equipment.

[S. No. 19 (Para 1.97) of Appendix IV to 68th Report of PAC
(7th Lok Sabha)]

Action Taken

The defective set for Tambadmal has been commissioned on 31-3-1982. The other set at TGR3 has been repaired and erected on 29-6-1982. Commissioning tests field trials and final adjustments have been completed in 5-8-82 and since then the set is working satisfactorily.

[Ministry of Railways (Railway Board) O.M. No. 81-BC-PAC/
VII/68 (1—19) dated 9-9-1982]

Recommendation

Works are executed by the Railways for other Government departments, municipalities and other local bodies, private firms and individuals at the cost of the latter. These works are called "Deposit Works". The number of such works undertaken by Railways during 1980-81 was 587 and the amount involved was Rs. 108.08 crores. The Rules provide that no deposit work should be taken up by a Railway till a detailed estimate for the work has been got accepted by the party concerned. In the case of local bodies, private individuals etc., the estimated cost of the work is also required to be deposited in advance. This is clearly laid down in Para 2027 to 2037 of Indian Railway Code for the Engineering Department. Further, no excess expenditure is to be incurred on any work unless acceptance of the party is obtained or the anticipated excess cost is deposited by the party.

[S. No. (Para 2.48) of Appendix IV to 68th Report of PAC
(7th Lok Sabha)]

Action Taken

The observations of the Committee have been noted.

[Ministry of Railways (Railway Board) O.M. No. 82-BC-PAC/VII/68(20—27) dated 9-9-1982]

Recommendation

The Committee are surprised to note that in spite of these rules and the claim of the Railways that sufficient internal checks exist to guard against any violation of the rules, an amount of Rs. 336.52 lakhs is outstanding against the parties on whose behalf deposit works were undertaken by the Railways. Out of this amount, Rs. 124.66 lakhs i.e. about 37 per cent has been outstanding for more than three years. Further, out of the total outstanding amount of Rs. 336.52 lakhs, the dues against Government departments totalled Rs. 261.08 lakhs, and against parties other than Government departments Rs. 75.44 lakhs. It is evident therefore that the rules on the subject are not being strictly followed and there has been laxity on the part of Railway authorities in obtaining the concurrence of the party concerned or getting the amount deposited in advance incurring extra expenditure. The Committee would like the Railway authorities to look into the matter in depth and issue fresh instructions to all the Zonal Railways to ensure that the rules on the subject are followed and the internal checks prescribed are implemented in actual practice. The Committee further recommend that in all cases of excess expenditure incurred by the Railways without obtaining the prior concurrence of the party concerned or getting the amount deposited in advance, individual responsibility for the failure should be fixed and necessary remedial action taken so that such lapses do not recur.

[S. No. 21 (Para 2.49) of Appendix IV to 68th Report of PAC (7th Lok Sabha)]

Action Taken

Necessary instructions have been issued vide letter No. 82/W1/PAC/1 dated 9-8-1982.

[Ministry of Railways (Railway Board) O.M. No. 82-BC-PAC/VII/68(20—27) dated 9-9-1982]

Recommendation

One of the reasons for incurring excess expenditure is stated to be that the necessary registers on the subject are not being kept up-to-date and the completion reports are not prepared in time. Although the rules prescribed that the completion report should be prepared within six months, in a number of cases this is not being done and in one case relating to the Orissa State Electricity Board while the work was completed in 1951 and certain ancillary works too completed in 1958, the completion report was prepared only in 1970 and the balance amount of Rs. 1.15 lakhs is yet to be realised. This is a glaring example of the indifferent manner in which the preparation of completion reports is being dealt with by the Railway authorities. The delay in preparing completion reports is stated to be due to late submission of material at site returns, their evaluation and posting and late raising of debits by various Railways and Units etc. The Committee feel that all these factors can easily be controlled by better supervision. They should like to emphasise that in order to avoid excess expenditure on deposit works, it is imperative that the progress of expenditure on every individuals work is watched carefully and the completion report prepared within the prescribed period of six months after the completion of the work so that the final accounts may be settled with the party concerned without loss of time. The Committee need hardly point out that greater the delay in submitting the claim by the Railways, the greater is the likelihood of the claim remaining outstanding.

[S. No. 22 (Para 2.50) of Appendix IV to 68th Report of PAC
(7th Lok Sabha)]

Action Taken

In compliance with the recommendations of the PAC fresh instructions have been issued to the Railways that drawing of completion reports within the time limits stipulated in para 1809 E of the Indian Railway Code for the Engineering Department be ensured.

[Ministry of Railways (Railway Board) O.M. No. 82-BC-PAC/VII/68(20—27) dated 9-9-1982]

Recommendation

An amount of Rs. 13.19 lakhs against as many as 44 private firms and individuals is due on account of the deposit works undertaken by the Railways. The Committee fail to understand why this

excess expenditure should have been incurred by the Railways on behalf of these private parties. They would like Railways to exercise greater vigilance and control in the case of private parties and individuals and ensure that no excess expenditure on works undertaken on their behalf is incurred. Immediate and concerted measures should also be taken to recover the dues from these parties.

[S. No. 23 (Para 2.51) of Appendix IV to 68th Report of PAC
(7th Lok Sabha)]

Action Taken

In compliance with the recommendations of the PAC the Railways have again been advised to ensure that no expenditure in excess of the deposit made by the party is incurred without obtaining further advance. The Railways have also been asked to take immediate measures to recover the outstanding dues.

[Ministry of Railways (Railway Board) O.M. No. 82-BC-
PAC/VII/68(20—27) dated 9-9-1982]

Recommendation

The Committee are surprised to note that an amount of Rs. 5.22 lakhs continues to be outstanding for over 3 years against Messrs IRCON, an undertaking under the administrative control of the Ministry of Railways (Railway Board) itself. This would indicate lack of adequate concern for Railway dues.

[S. No. 24 (Para 2.52) of Appendix IV to 68th Report of PAC
(7th Lok Sabha)]

Action Taken

It has already been explained while giving evidence to the PAC, that an amount of Rs. 2.52 lakhs was paid by M/s. IRCON in full and final settlement of the dues.

This has been seen by Audit who have observed as under:—

"It is verified that credit for Rs. 2.52 lakhs had been received from M/s IRCON in September 1981. In respect of the balance amount of Rs. 2.74 lakhs comprising several items of claims waived by the Railway Administration, formal

adjustment memo for regularisation are still awaited in accounts."

(Ministry of Railways (Railway Board) O.M. No. 82-BC-PAC/VII/68(20-27) dated 9-9-1982]

Recommendation

An amount of Rs. 12.29 lakhs on account of departmental charges has been waived by the Railways since 1978-79 in respect of various deposit works. The Committee are not convinced with the argument of the Ministry of Railways that the amount waived forms an insignificant percentage of the value of work handled. They would like to emphasise that utmost care and scrutiny should be exercised by the Railways before waiving a single paisa of what is legitimately due to them particularly when the Railways are undertaking these works on behalf of other departments/private parties. The Committee recommend that Railways should not as a matter of rule agree to requests for waiving of departmental charges. However, if in any case, the circumstances are found exceptionally genuine, such waiving of charges should be decided only at the level of Railway Board.

[S. No. 26 (Para 2.54) of Appendix IV to 68th Report of PAC (7th Lok Sabha)]

Action Taken

From the evidence tendered before the PAC it would be seen that the waiver of Rs. 12.29 lakhs was mainly permitted to Government and semi-Government departments/undertakings.

The General Managers of Railways use their discretion in permitting waiver of departmental charges in terms of the provision of para 1050 of the Indian Railway Code for the Engineering Department.

It is felt that withdrawal of this discretionary power from the General Manager of permitting waiver of departmental charges in individual cases on merits, would hamper the progress of work and will cause avoidable delay. This is not desirable since the works carried out relate to very important organisations/industries playing a vital role in national economy.

However, keeping in view the observations of the Committee, the Railways have been instructed that waiver of departmental charge should be resorted to very sparingly under the personal orders/justification of the General Managers in consultation with the F.A. & C.A.Os.

This has the approval of the Minister for Railways.

[Ministry of Railways (Railway Board) O.M. No. 82-BC-PAC/VII/68(20—27) dated 9-9-1982]

Recommendation

The Committee find that in the case of deposit works required to be maintained by the Railways at the cost of the Government departments, local bodies, private firms etc., prior consent of the party is required to be obtained for the annual recurring expenditure likely to be incurred by the Railways on repairs, maintenance etc. It is, however, seen that Rs. 76.24 lakhs are outstanding against private parties/individuals alone on account of maintenance charges out of which Rs. 15 lakhs are more than 3 years old and Rs. 22.03 lakhs are more than 2 years old. The Committee are surprised that the maintenance charges are not being realised in advance. While the Chairman, Railway Board has claimed that these charges cannot and should not be allowed to go by default because the Railways could settle it with the concerned party by closing the siding etc., the contention cannot be accepted by the Committee because there are cases where these charges have remained outstanding for even more than 3 years and there are as many as 11 cases of litigation in respect of periodical revision of maintenance charges on the updated costs of the assets. The Committee, therefore, suggest that the Railways should examine the desirability of getting the annual maintenance charges deposited by the concerned parties in advance and in case of failure to do so, the Railways should not undertake the maintenance of such works.

[S. No. 27 (Para 2.55) of Appendix IV to 68th Report of PAC (7th Lok Sabha)]

Action Taken

In compliance with the recommendations of the PAC fresh instructions have been issued to the Railways to the effect that recover of operation and maintenance charges for the deposit works should be made in advance at the beginning of the financial year/relevant period and wherever these charges are not paid in advance operation of the siding should be stopped till the annual charges are cleared by the parties.

[Ministry of Railways (Railway Board) O.M. No. 82-BC-PAC/VII/68(20—27) dated 9-9-1982]

CHAPTER III

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

Recommendation

The Committee note that in response to tender enquiries made in July 1968 for supply of rectifiers with inversion facilities the Railway Administration received five offers. Out of these, the offers of M/s. NGEF Ltd., and M/s. HE(I) L (now BTEL) for silicon rectifiers with thyristor invertors and M/s. Raje Industrial Engineering Combine Pvt. Ltd. for mercury arc rectifiers were more or less complete. The Tender Committee of the Central Railway recommended the offer of M/s. Raje Industrial Engineering Combine Pvt. Ltd., and did not accept the offer of M/s. NGEF Ltd. as the replies from Railway Advisers abroad had indicated that for such heavy duties, controlled silicon rectifiers had not been used in the Railway abroad. Moreover, the Railway Board had also advised that for the purpose of Kasara Substation where regenerative power had to be dealt with, the Railway should employ only proved apparatus and not take unnecessary hazards. The Tender Committee felt that it would be risky to go in for silicon rectifiers particularly when appreciable amount of foreign exchange was involved. The recommendation of the Tender Committee was, however, rejected by the Railway Board and it was decided to accept the offer of M/s. NGEF as it was felt that the thyristor equipment with separate rectifier and inverter element had a decided advantage over the mercury arc rectifiers.

The Committee are unhappy that the recommendation of the Tender Committee of the Central Railway for use of mercury arc rectifier was rejected by the Railway Board, particularly when the silicon rectifiers were not being used for railway traction even in the country from where these were purchased e.g., West Germany and the Railway Board itself had given advice that the Railways should employ only proved apparatus and not take unnecessary hazards.

[S. Nos. 3 & 4 (Para 1.81 & 1.82) of Appendix IV to 68th Report of PAC (7th Lok Sabha)]

Action Taken

In view of mercury arc rectifiers having become obsolete at the time when tenders were due for finalisation, it was prudent to go in for the technology current then, viz. solid state device (silicon diodes/thyristor equipment). Mercury arc rectifier technology itself, in inversion mode had not been proved by then. In fact, as stated against reply to para 1.79 an order was placed in 1967 itself for four sets of mercury arc rectifiers for converting from AC to DC as well as from DC to AC. While the equipment could be commissioned in rectifier mode, i.e. for conversion from AC to DC, in the inversion mode the equipment could not be successfully commissioned and the firm later on requested for modification of contract for supply of rectifier equipment only. In retrospect the decision to go in for thyristor inversion equipment was, in fact, most appropriate at that time, as the silicon equipment in the rectifier mode had already been well established at the time when orders were under finalisation.

[Ministry of Railways (Railway Board) O.M. No. 81-BC-PAC/VII/68(1-19) dated 9-9-1982]

Recommendations

The Committee note that the Railways had entered into a contract with M/s. Tatas in 1939 for using their transmission line etc. for transmitting energy generated by Railways to various traction sub-stations in Bombay area. Consequent upon the expiry of this contract in February 1960, negotiations were carried out by Railways with Tatas in 1964, and a new contract was entered into in January 1964 applicable from February 1960 to March 1967. Para 3(b) of this contract stipulated that this agreement would continue for further successive period of 5 years, if no notice was given in writing by the Government to the Company. The Tatas proposed in this contract to raise their transmission line voltage to 110 kv for securing higher transmission efficiency. Considering this proposal as an advice from Tatas, in the contract entered into by the Railways with M/s. NGEF/AEG for supply of equipment in 1969 and 1970 it was provided that the existing line voltage was 100 kv and it was envisaged to be raised to 110 kv. However, when the equipment was erected and commissioned, the system voltage on the Tata-Konya-Railways grid continued to be 100 kv. and is yet to be raised to 110 kv. According to the Ministry of Railways the inverter equipment functioned satisfactorily for a few months initially after the first commissioning but some components failed after having been exposed to low grid voltage condition continuously.

The Ministry of Railways have further informed the Committee that MSEB (Maharashtra State Electricity Board) system is also connected to the Tatas-Railway system in 100 kv side. MSEB brings power from Nagpur to Kalwa sub-station (in Bombay area) at 220 kv where the voltage steps down from 220 kv to 110 kv. The power transmitted on the 220 kv line is so heavy that the voltage at Kalwa drops down to 180 kv with consequential reduction in voltage on 110 side. The voltage of Western grid covering Tatas system is therefore required to be regulated accordingly. In the circumstances the proposal to raise the voltage to 110 kv has not been possible for M/s. Tatas. The Committee are further informed that MSEB have taken up the work of running new transmission lines at 400 kv from Nagpur to Kalwa to improve voltage regulations. The work is likely to be completed by 1982 and after completion of this work the entire system voltage of Tatas-Railways MSEB will go up to 110 kv. The Committee further note that the equipment is now so designed that it can work on 100 kv as well as 110 kv system with normal permissible voltage variations.

The Committee fail to understand as to why the Railways did not enter into a formal contract with Tatas in respect of change over of line voltage from 100 kv to 110 kv and on more advice from them that they would step up the line voltage to 110 kv included a clause in this regard in the contract entered into with the firm M/s. AEG|NGEF. The Committee regret to observe that this failure on the part of Railways to anticipate the possible delay in conversion of line voltage has contributed to the poor performance of the invertors. Moreover, if the Ministry of Railways were not sure about the time by which this voltage conversion would take place it is not understood why the equipment was not designed in the first instance in such a way that it could work on 100 kv system as well as 110 kv system with normal possible voltage variations. The Committee cannot but conclude that the Railways have failed to exercise necessary precaution while placing the orders for the equipment.

[S. No. 13—15 (Paras 1.91—1.93) of Appendix IV to 68th Report of PAC (7th Lok Sabha)]

Action Taken

The Railways wanted to use transmission lines of M/s. Tata for transmitting energy generated by Railways for use in various traction substations in Bombay area. An agreement was, therefore,

signed with M/s Tatas. However, the question of changing the system voltage on the part of M/s. Tatas was linked with the change over on Maharashtra State Electricity Board also. The entire Koyna Tata-Railways-Trombay grid was involved in the changeover and, therefore, a formal agreement in regard to the time frame of the changeover was not practicable at that point of time. Further the long delay in the changeover was not anticipated at the time of floating tenders. Added to this was the power shortage in the area and abnormally low grid voltages for prolonged periods, which the equipment originally designed could not withstand.

[Ministry of Railways (Railway Board) O.M. No. 81-BC-PAC/
VII/68(1—19) dated 9-9-1982]

CHAPTER IV

**RECOMMENDATIONS OR OBSERVATIONS REPLIES TO
WHICH HAVE NOT BEEN ACCEPTED BY THE GOVERN-
MENT AND WHICH REQUIRE REITERATION**

NIL

CHAPTER V

RECOMMENDATIONS OR OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

Recommendation

At present Railways do not enter into any formal contract with the concerned parties, before undertakings work on their behalf. Only the formal acceptance by the parties to the estimates submitted by the Railways is considered adequate. The Committee recommend that Railways should enter into written contracts which should incorporate adequate provision to protect the interests of Railways in the event of increase in the cost of work due to escalation of costs, change in the scope of work, non-supply of materials by the party etc.

[S. No. 25 (Para 2.53) Appendix IV to 68th Report of PAC
(7th Lok Sabha)].

Action Taken

The recommendations of the Committee are noted. These are being examined in consultation with the Legal Adviser of the Ministry.

This has been seen by Audit, who have observed that final action taken in the matter may be advised in due course.

[Ministry of Railways (Railway Board) O. M. No. 82-BC-PAC|
VII|68(20—27) dated 9-9-1982].

SATISH AGARWAL,

Chairman,

Public Accounts Committee.

NEW DELHI;

February 4, 1983.

Magha 15, 1904 (Saka).

APPENDIX I
(Vide Para 17 of the Report)

Government of India
MINISTRY OF RAILWAYS
(Railway Board)

No. 82/W1/PAC/1

New Delhi, 9-8-1982

The General Managers,
All Indian Railways.

Sub:—Expeditious recovery of outstanding dues of deposit works and arrears of maintenance and operation charges in respect of the deposit works (both private and assisted).

Ref:—Board's letters No.

- (i) F(X)I-62-BN-1 dt. 23-1-1965,
- (ii) 57/W1/SA/28 dt. 27-5-1966,
- (iii) 66/W1/SA/22 dt. 20-10-1970,
- (iv) 80/W1/SP/13 dt. 30-6-1980,
- (v) 80/W1/SP/13 dt. 5-8-1981, and
- (vi) 81/W1/SP/Audit Review (Pt. I) dt. 12-1-1982.

The Board have been viewing with concern the outstanding dues on account of deposit works and the outstandings of maintenance and operation charges of deposit works. Instructions for strict observance of the rules laid down for the deposit works contained in paras 932-935E, 1037-1038E, 1777E, 1801 to 1818E, 2009 to 2011E, 2027 to 2037E and Paras 2716—2720 and 3101 to 3104 of the Indian Railway's Way & Works Manual have been reiterated by the Board vide their letter referred to above. In spite of these it is observed that heavy arrears in respect of the above continue to remain outstanding. This position resulted in an Audit Para No. 19 for the year 1979-80 and was taken up by the Public Accounts Committee. Arising out of the Audit Para and the Public Accounts Committee's recommendations in this respect (enclosed as annexure A), the Board desire that following measures should be taken forthwith and the position watched at all levels:—

- (a) It should be brought to the notice of all concerned that internal checks prescribed for the transactions involving deposit works should be fully exercised and the functionaries, whether in Engineering, Operating, Commercial or Accounts Department, should strictly observe the rules and procedures laid down while undertaking deposit works.
- (b) No deposit work should be undertaken without obtaining deposits in advance, as per rules stipulated in Board's letter No. 66/W1/SA/22 dated 20-10-1970.
- (c) Deposit works registers should be maintained up-to-date and timely action for adjustments of debits should be taken.
- (d) No expenditure in excess of deposits should be incurred, without obtaining further advance.
- (e) The deposit work/siding when completed should not be certified for commissioning and handed over to the Parties for operation without first realising the full cost of the work.
- (f) Drawing of completion reports within the time limits stipulated in para 1809E should be ensured.
- (g) Waival of the departmental charges should be resorted to very sparingly and waival should be permitted under the personal orders/justification of the General Managers after consulting FA & CAOs.
- (h) Recovery of operation and maintenance charges for the deposit works in advance at the beginning of the financial year/relevant period, should be strictly ensured. Whenever these charges are not paid in advance, operation of the siding should be stopped till the annual charges are paid by the parties.
- (i) As already advised in Board's letter No. 81/W1/SP/Adit Review/Pt. I dt. 12-1-1982, a coordinated drive by the Accounts, Engineering, Operating and Commercial Departments of the railways should be immediately launched to achieve maximum recovery of the dues, if necessary, taking the extreme steps of closing the siding/deposit works, in accordance with the provisions of the agreements entered into with the parties. The existing machinery looking after the recoveries of dues should be activated, the progress made be consolidated in the Accounts Department of the railways and the position should be discussed

in the meetings of HODs and Divisional Heads. A consolidated report indicating the position of recovery of outstanding dues against deposit works and arrears of recovery of maintenance and operation charges should be furnished to the Board for the period ending 30th Sept. and 31st March in the form prescribed under Railway Board's letter No. 81/W1/SP/Audit Review Pt. I dt. 12-1-82. The report should reach the Board positively by 1st Dec. & 1st July every year.

- (j) Individual responsibility be fixed for negligence in observing the rules & orders for the execution, maintenance and recovery of costs thereof.

2. Please acknowledge receipt of this letter.

Sd/-
(TIRATH PRAKASH)
Director, Civil Engg.,
Railway Board.

Copy to:—

1. DME, DW, DTC, DTT, D(A), JDTC (I)
2. PS/CRB, PS/FC, PS/ME.
3. W. II, W. IV, W. V, B(C) & Accounts Branches.

APPENDIX II

RECOMMENDATIONS AND OBSERVATIONS

Sl. No.	Para No.	Ministry/ Department Concerned	Recommendation/Observation
1	2	3	4
1	✓ 3	Railways	<p>The Committee expect that final reply to the recommendation in respect of which only interim reply has so far been furnished, will be submitted soon after getting it vetted by Audit.</p> <p>In the 68th Report (Seventh Lok Sabha) the Public Accounts Committee had commented upon the unsatisfactory performance of seven silicon rectifiers with thyristor equipment imported by the Railways against orders placed for 2 sets in November, 1969 and 5 sets in September, 1970. One of these invertors could not be erected and commissioned till June, 82 because of damage/corrosion caused by long storage. The Committee had desired responsibility to be fixed for the damage. In regard to another inverter erected at Tambadmal and commissioned in March, 1977, the Committee had pointed out that the inverter had stopped functioning within nine months of commissioning due to insulation of a number of control wires having been eaten by vermins\$rodents. The Committee had desired that the circumstances in which control wires were damaged and the reasons for delay of about three years in importing necessary components and effecting repairs should be thoroughly investigated.</p>
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3 ✓

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-do-

The Committee regret to observe that after as many as nine months of presentation of their Report, the only step taken by the Ministry of Railways in response to their recommendation is to have asked the General Manager, Central Railway to nominate a Committee of three Senior Officers to go into circumstances leading to the damage in these cases and to ascertain the reasons for delay in carrying out the repairs to the second inverter. The Committee deprecate the leisurely manner in which the Ministry of Railways are proceeding in these cases. The Committee urge that necessary investigations be completed without further loss of time and the findings/remedial action taken should be reported to them within three months. The Committee would also like to be apprised of the performance of these two invertors after repairs/recommissioning.

24

4 ✓

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-do-

So far as the other five invertors are concerned, the Committee observe that even after repairs/recommissioning, the performance of these sets has not been satisfactory. Three of the sets worked for 70 to 90 per cent of the total time while two of them worked for only 47.7 per cent and 25 per cent of the time. It is strange that the Ministry of Railways should claim that the performance of invertors after recommissioning could generally be stated as reasonably satisfactory. The Committee, however, fail that this reinforces their earlier observations that the investment made by the Railways on these invertors has not yielded the desired results. The Committee expect that the Ministry of Railways would observe more caution while im-

porting new technology and ensure that only such equipment which has been fully tried and tested elsewhere is brought into the country.

The Committee are glad to note that in compliance with their recommendations, the Ministry of Railways have issued necessary instructions to the Zonal Railways enjoining them to ensure *inter alia* that (i) the deposit work/siding when completed is ot certified for commissioning and handed over to the parties for operation without first realising the full cost of the work; (ii) waiver of the departmental charges is resorted to very sparingly and that too under the personal orders of the General Manager is consultation with his F.A. & C.A.O.; (iii) operation and maintenance charges are recovered in advance failing which operation of the siding is stopped and (iv) individual responsibility is fixed for negligence in observing the rules and orders governing deposit works. The Committee expect that the Railway Board would keep a close watch and ensure that the instructions are followed in letter and spirit by the zonal administrations.

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The Committee regret to observe that after as many as nine months of presentation of their Report, the only step taken by the Ministry of Railways in response to their recommendation is to have asked the General Manager, Central Railway to nominate a Committee of three Senior Officers to go into circumstances leading to the damage in these cases and to ascertain the reasons for delay in carrying out the repairs to the second inverter. The Committee deprecate the leisurely manner in which the Ministry of Railways are proceeding in these cases. The Committee urge that necessary investigations be completed without further loss of time and the findings/remedial action taken should be reported to them within three months. The Committee would also like to be apprised of the performance of these two invertors after repairs/recommissioning.

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So far as the other five invertors are concerned, the Committee observe that even after repairs/recommissioning, the performance of these sets has not been satisfactory. Three of the sets worked for 70 to 90 per cent of the total time while two of them worked for only 47.7 per cent and 25 per cent of the time. It is strange that the Ministry of Railways should claim that the performance of invertors after recommissioning could generally be stated as reasonably satisfactory. The Committee, however, fail that this reinforces their earlier observations that the investment made by the Railways on these invertors has not yielded the desired results. The Committee expect that the Ministry of Railways would observe more caution while im-

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PART II

MINUTES OF THE SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON THE 29TH JANUARY, 1963

The Committee sat from 11.00 to 13.45 hours.

PRESENT

Shri Satish Agarwal—*Chairman*

MEMBERS

Lok Sabha

2. Shri Chitta Basu
3. Shrimati Vidyavati Chaturvedi
4. Shri G. L. Dogra
5. Shri Mahavir Prasad
6. Shri Sunil Maitra
7. Shri Jamilur Rehman
8. Shri Harish Rawat
9. Shri G. Narsimha Reddy

Rajya Sabha

10. Dr. Sankata Prasad
11. Shri Syed Rehmat Ali
12. Shri Satyanarayan Reddy
13. Shri Kalyan Roy
14. Shri Nirmal Chatterjee

SECRETARIAT

1. Shri K. C. Rastogi—*Chief Financial Committee Officer.*
2. Shri Ram Kishore—*Senior Financial Committee Officer.*
3. Shri M. G. Agarwal—*Senior Financial Committee Officer.*

C&AG's Office

1. Shri B. Maithreyon—*Deputy C&AG of India*
2. Shri R. K. Chandrasekharan—*Additional Dy. C&AG of India*
(Report)
3. Shri S. R. Mukherjee—*Director of Audit, Commerce, Works
and Miscellaneous*
4. Shri G. R. Sood—*Jt. Director (Reports).*

The Committee took up for consideration the following draft Reports:

* * * * *

2. Action Taken on 68th Report (7th Lok Sabha) on Central Railway—Idling of imported Inverters and Deposit Works on Railways.

* * * * *

The Committee considered and adopted the above three Reports subject to modifications/amendments shown in Annexure **, II & ** respectively. The Committee also approved some minor modifications arising out of factual verification of the draft Reports by Audit or otherwise.

N.B. (Asterisks denote other business transacted by the Committee. Minutes relating thereto will form part of the relevant Report).

ANNEXURE

Modifications/Amendments made by the Public Accounts Committee in the draft Action Taken Report on 68th Report during their sitting held on 29-1-1983.

Page	Para	Line	Modifications/Amendments
6	15	7	After the words 'the time' add the following: "It is strange that the Ministry of Railways should claim that the performance of invertors after recommissioning could generally be stated as reasonably satisfactory."
6	15	7-9	For "This reinforces.....results." Read "The Committee, however, feel that this reinforces their earlier observations that the investments made by the Railways on these invertors has not yielded the desired results."
6	15	12	Delete 'to'
9	18	9	After the word 'sparingly' add the following: "and that too under the personal orders of the General Manager in consultation with this F.A. & C.A.O."

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