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ESTIMATES COMMITTEE

TWENTY-EIGHTH REPORT 1955-56

MINISTRY OF RAILWAYS
STORES & PRINTING



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LOK SABHA SECRETARIAT
NEW DELHI
April, 1956



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CORRIGENDA
TWENTY-EIGHTH REPORT OF THE ESTIMATES COMMITTEE
ON THE MINISTRY OF RAILWAYS

- Cotents page, (i) Line 4, read '7-16' for '7'
Line 8, Read '11' for '11-15'
Line 14, Read '17-22' for '17-21'
last but one line, Read '35' for '34-35'
- Page 13, Para 33, Delete '(c,' before the sub-heading.
- Page 19, Para 45, Read 'Administrations' for 'Administration'
- Page 26, Para 79, last but one line, Read 'Accounts Note' for 'Accounts not'
- Page 30, Para 97, line 9, insert 'or' between 'issues' & 'disposals'
- Para 98, line 5, Read 'Rs.734' for '734'
- Page 36, Para 117, Col.3 of the table, read 'other' for 'others'
Col.1 of the table, line 3, read 'South-Eastern' for 'Southern-Eastern'
- Page 42, Para 136, last line, read 'Second' for 'Seconp'
- Page 48, Read 'Appendix I' for 'Appendix'
- Page 48 Col.1(i), Line 2, insert ',' between 'Eastern' and 'Southern'
- Col.2(ii), last line, read 'refuse' for 'fuse'
- Col.2(iv) line 11, read 'consumer' for 'consuremer'
- Page 59, insert figures in columns '2 to 5' in Cols. '1 to 4' respectively against items '3 and 4'
- Page 61, S.No.1, line 2, read ':' for ';' after 'twofold'
- Page 62, insert 'S.No.5' after 'S.No.4'
- Page 68, S.No.28, line 7, insert ',' between 'is' and 'inclusive'
- Page 70, S.No.36, line 3, read 'Rs.10.19' for 'Rs.10.19'

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MEMBERS OF THE ESTIMATES COMMITTEE, 1955-56

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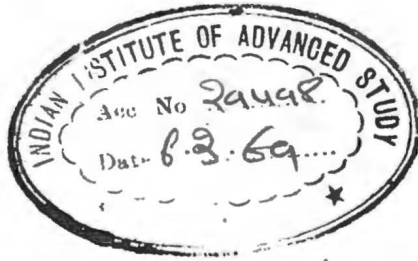
Shri S. L. Shakhder—*Joint Secretary.*

Shri H. N. Trivedi—*Deputy Secretary.*


Shri R. P. Kaushik—*Under Secretary.*

*Elected Member with effect from the 7th December, 1955 *vice* Shri R. Venkataraman resigned.

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INTRODUCTION

I, the Chairman, Estimates Committee, having been authorised by the Committee to submit the Report on their behalf present this Twenty-eighth Report on the Ministry of Railways on the subject, "Stores & Printing".

2. The Committee wish to express their thanks to the Chairman and Members of the Railway Board and other Officers of the Ministry of Railways for placing before them the material and information that they wanted in connection with the examination of the estimates. They also wish to thank the representatives of the Ministry of Works, Housing & Supply (D.G.S. & D.), the Federation of Indian Chambers of Commerce and Industry, New Delhi, the All India Manufacturers' Organisation, Bombay, the All India Federation of Transport Users' Associations, Bombay, the National Federation of Indian Railwaymen, New Delhi and Sarvashri H. N. Kunzru, M.P., Shanti Prasad Jain, G. B. Kotak, L. P. Misra, K. C. Bakhle, I. S. Puri, V. P. Bhandarkar and B. B. Varma for giving their evidence and making valuable suggestions to the Committee.

BALVANTRAY G. MEHTA,
Chairman,
Estimates Committee.

NEW DELHI;
The 20th April, 1956.

I. INTRODUCTORY

Rail transport is rightly regarded as a true symbol of the industrial age. Due to familiarity, an average person takes the Railway for granted, but it must not be forgotten that the modern Railways present an extra-ordinary integration of high administrative efficiency, technical skill, commercial enterprise and resourcefulness. The permanent way, bridges, station buildings, marshalling yards, sheds, signals, steam, diesel and electric locomotives, coaches, wagons, rail motors, telephones, wireless and telegraph equipment, workshops, printing presses etc. are some of the major items, which go to make up a modern railway system. The contribution of the Railways towards the industrialisation of a country is thus twofold: (i) They assist in the growth of new industries by taking raw materials required to the site of the industry and by distributing finished products to the various consuming centres and (ii) Rail communications by themselves are a highly specialised industry, the development and manufacture of which require a large number of ancillary industries. The Railways can, therefore, give a great fillip to the industrialisation of the country by creating indigenous capacity for the manufacture of thousands of items of stores required by the Railways.

2. The figures below give the value of stores purchased by the Railways, the revenue and capital expenditure on Government Railways and the percentage of stores purchases to revenue and capital expenditure.

(In thousands of rupees)

Year	Working expenses	Capital expenditure*	Total (Columns 2 & 3)	Value of Stores Purchases	Percentage of stores purchases to total working expenses and capital expenditure
1951-52	2,25,76,29	32,21,17	2,57,97,46	97,66,24	37.9
1952-53	2,18,16,14	7,04,60	2,25,20,74	92,14,71	40.9
1953-54	2,30,18,40	11,84,69	2,42,03,09	90,03,07	37.2
1954-55	2,34,49,84	32,25,46	2,66,75,30	1,07,67,97	40.4

*Includes expenditure on new constructions etc.

From the figures it will be seen that about 40% of total annual expenditure of the Railways consists of the various items of stores purchased by the Indian Railways.

3. The total value of stores purchased by Indian Railways from various sources during 1951-52 to 1954-55, as compared with that during 1938-39 is given below :—

(In thousands of rupees)

	1938-39	1951-52	1952-53	1953-54	1954-55
Value of stores imported direct	1,55,90	18,91,81	15,49,06	12,17,31	11,27,52
Percentage of total	9%	13%	17%	14%	10%
Value of imported stores purchased in India	4,95,48	10,40,85	12,50,75	13,42,90	12,75,73
Percentage of total	30%	11%	14%	15%	12%
Value of stores of Indian Manufacture or of indigenous origin .	10,28,78	68,33,58	64,14,90	64,42,86	83,65,22
Percentage of total	61%	70%	69%	71%	78%
Total value	16,80,16	97,66,24	92,14,71	90,03,07	107,68,47

4. These figures indicate that the value of purchases by Indian Railways mounted up sharply during the First Five Year Plan, which was mainly due to two reasons: (i) Indian Railways launched upon a huge programme of rehabilitation and (ii) the prices during the First Five Year Plan period were considerably higher than during 1938-39. It is, however, gratifying to note that the percentage of value of stores of Indian manufacture to the total purchases has increased substantially from 61 in 1938-39 to 78 in 1954-55 though the Committee would like to see that the percentage is still higher. During 1954-55, Indian Railways spent about Rs. 107.7 crores for the purchase of various items of stores required by them and out of this, Rs. 83.7 crores were spent in purchasing stores of indigenous origin. All the same, the amounts spent by Indian Railways in purchasing imported stores during the last four years were as under :—

(In thousands of rupees)

1951-52	29,32,66
1952-53	27,60,81
1953-54	25,60,21
1954-55	24,03,55

It is to be noted that even in 1954-55 22% of the stores purchases were imported stores. It may also be noted that during the Second Five Year Plan with their programme of further expansion, the stores purchases of Indian Railways will go up further. In view of these factors, the important role, that the Indian Railways are bound to play in developing the indigenous capacity of ancillary industries to feed them, cannot be overstressed.

5. The various committees appointed from time to time to examine the working of the Railways did indicate the dependence of Indian Railways on stores of foreign manufacture and some of

them suggested directly or indirectly that indigenous production of stores should be encouraged.

6. For instance, the Acworth Committee (1921) in para. 70 of their Report observed as under:

“Till quite recently India produced hardly any of the supplies that her Railways require. Locomotives, Carriages, Wagons, or at least their component parts, rails, signalling work, bridge work—all were imported from Europe. Even now India produces only a very small part of what she needs.”

7. Again in para. 190 of the Report, the Railway Retrenchment Committee (1931) observed as follows:

“In pushing too far the system of bulk purchase through the Indian Stores Department or otherwise, two dangers are to be guarded against. One is the possibility—and undesirability—of increasing stores balances. The other is the risk of the system of bulk and centralised purchase resulting in giving advantage to the foreign manufacturer, who has the benefits of mass production and can usually quote better terms than the indigenous manufacturer, who usually manufactures on a small scale, and in preventing new firms from getting a footing in the market, thus leading to the formation of a combine.”

8. In 1937, the Wedgwood Committee stated as under:

“As to the purchase of other stores (*i.e.* stores other than coal) we appreciate the need of purchasing many of the minor descriptions of stores locally, by the individual administrations, through their own stores department; but we see no good reason for perpetuating a duplicate system of purchase for the major stores, which should be bought in the cheapest market with a reasonable leaning in favour of the indigenous commodity.”

9. Though the Government of India had laid down a policy in 1929 that stores for public service should be purchased in such a way as to encourage the development of industries of the country to the utmost possible extent consistent with economy and efficiency, the Railways continued to depend to a large extent on imports from abroad. As rightly pointed out by the Railway Stores Enquiry Committee (1950-51), though in case of Government owned and managed Railways, the stress was on procurement of stores in accordance with the policies of Government of India (to a very limited extent), Company-managed Railways had a freer hand: bulk of their stores supplies were obtained from abroad by their Boards of Directors, in England. With the nationalisation of Indian Railways and the attainment of freedom, real impetus was given to indigenous production. The Committee are glad to note that the following steps have been taken by the Railway Ministry to

achieve self-sufficiency in regard to items of stores, which are at present procured from abroad :

(i) The Railways have been advised that there can be no justification for importing an article, which is manufactured in India or for which a suitable indigenously produced alternative is available. Only in those cases, where a particular component cannot be made in India or cannot be made in sufficient quantities within the period it is actually required, and no suitable indigenously manufactured substitute is available, a justification for import can be accepted.

(ii) In order to encourage indigenous manufacturers to take up the production of imported items, peculiar to the Railways, some 100 samples were put on view in the Railway Centenary Exhibition held in 1953 with complete specifications, drawings, annual requirements etc. The manufacturers have also been advised in a press note dated 16-4-1955 that the Ministry of Railways will be glad to entertain new products, which may be of particular use to the Railways. If a new product promises to be of use to the Railways, taking into consideration technical, economical and other aspects necessary trials will be arranged, and if on trials a product is found to be satisfactory, it may be standardised for use on all Railways in consultation with them.

(iii) A locomotive factory has been set up at Chittaranjan in 1950. It has been decided to step up the production of locomotives at Chittaranjan Locomotive Works from 120 locomotives and 50 spare boilers per year to 300 average sized complete locomotives. Similarly, it is proposed to step up the production at Tata Locomotive Works from 50 locomotives and 50 spare boilers to 100 locomotives.

(iv) The capacity of M/s. Hindustan Aircraft Ltd., has been stepped up from 100 Broad Gauge coaches to 180 Broad Gauge coaches per annum with negotiations for future expansion.

(v) An Integral Coach Factory has been built at Perambur. It went into production from 2nd October, 1955. It will reach full production of 350 coaches in 1960.

(vi) In order to develop the manufacture of electric multiple unit coaches in India, Messrs. Jessop & Co., Calcutta, have been given an order for the part manufacture of electrical multiple unit coaches.

(vii) Arrangements have been made to increase the installed indigenous capacity of wagons to 15,000/16,000 wagons per annum. It is proposed to increase this capacity further.

(viii) In order to develop the manufacture of signalling and interlocking material hitherto imported, it has been decided to place development orders on indigenous manufacturers.

(ix) The Railway Equipment Committee has been set up to advise Government on the more intensive utilization of indigenous capacity for Railway equipment, particularly for the manufacture of special type of wagons, Narrow Gauge locomotives and other stock and fittings used on Railways, which are still imported.

10. The Committee particularly appreciate the step taken by the Railway Ministry in appointing the Railway Equipment Committee in February, 1955. The terms of reference of this Committee are to consider:—

The steps taken to attain self-sufficiency in the production of railway equipment to the maximum extent possible specifically covering the following points:—

- (i) to locate idle capacity in India for the manufacture of railway equipment and Rolling Stock, which are at present imported; and
- (ii) to suggest ways and means of expanding the existing plants and/or of setting up new industries in India for producing items of railway equipment and Rolling Stock, which cannot at present be manufactured with the existing resources.

11. The activities of the Railway Equipment Committee including their tours of inspection in various industrial centres in the country have given a great impetus to the prospective manufacturers in going ahead with their schemes for production of railway equipment. As expressed by members of the trade and industry, they have for the first time become aware of the magnitude of the requirements of Indian Railways during the Second Five Year Plan period, as a result of the information supplied by the Railway Equipment Committee.

The Committee hope that Railway Ministry will lose no time in implementing the recommendations of the Railway Equipment Committee.

12. The engineering industry in general and the prospective manufacturers in particular being generally unaware of the estimates of Railway requirements, considered it necessary that future requirements (for the next five years at least) should be worked out and given considerable publicity. The Committee understand that such information with regard to important imported items and major items of indigenously manufactured stores, which have been or are likely to be in short supply, has been collected and that the Railway Board proposes to bring out a printed catalogue in this connection and make it available to all, who are interested in taking up manufacture of railway equipment. The Committee suggest that the issue of this printed catalogue be expedited.

13. At the suggestion of the Railway Equipment Committee, Show rooms have been opened at important centres such as Calcutta, Bombay, Madras and Delhi for the display of representative samples of imported railway equipment and indigenously manufactured stores, which are in short supply. One of the Sub-Committees of the Committee visited the Show Room at Delhi and were pleased to note the special efforts made by the Railways to invite and encourage the local trade and industry to take up indigenous production of various items needed by the Railways.

14. The Committee were given to understand that these show rooms were of a temporary nature and probably would function during the term of the Railway Equipment Committee, but the

latter had suggested the continuance of the show rooms until the Central Purchase Organisation took them over. The Committee recommend that the show rooms should not be closed down on any account. The Committee suggest that the show rooms should be taken over by the Central Purchase Organisation within a specified time and should be gradually expanded to exhibit all the requirements of the Government in various Departments. There should be a guide book giving a brief description of the important articles exhibited in the show rooms, which should be made available to the visitors and to industrialists and the general public at a nominal cost.

15. The officials incharge of the show rooms should be in a position to supply the requisite specifications and drawings of the materials, etc. on the spot to prospective suppliers and also have adequate technical knowledge of the stores in their custody and be able to explain the important features of the equipment in the show rooms.

II. PROCEDURE FOR PURCHASE OF STORES

A. Introduction

16. As rightly observed by the Kunzru Committee, the Stores Organisation has to be designed with considerable care, as on its efficiency depends the economical and efficient working of the Railways. The Railways purchase every year huge quantities of stores worth about Rs. 100 crores, both for their capital equipment and for their day to day working.

17. In order to enable them to deal with the problems of stores, each Railway has a Stores Organisation under a head of the department, called the Controller of Stores. The timely procurement and stocking of all the multifarious stores required for the running of Railways (except fuel, rolling stock and a few other specified items) is the function of the Stores Department under its head, the Controller of Stores. This Department has to ascertain in advance the stores requirements of all the departments and arrange for the procurement of these stores, either directly or through such Central Purchasing Organisations, as have been constituted for this purpose. Continual chasing of supplies is necessary to avoid delay in deliveries and consequent hold up in the efficient functioning of the various departments for want of essential stores. On receipt of the stores, this department has to inspect them, arrange for their safe storage and correct accountal and finally distribute them to the indenting departments. The responsibility for disposal of stores, which have become scrap or surplus also devolves on this Department.

18. The Railway Stores Enquiry Committee (1950-51) had recommended that a strong centralised stores organisation charged with functional responsibility for general superintendence and control over stores transactions on all Railways should be set up in the Railway Board's Office. In pursuance of this recommendation, a Railway Equipment Directorate has been set up in the Railway Board since May, 1953 for procurement of specialised rolling stock items like locomotives, loco-boilers, carriages, wagons, coaching underframes, wheel sets, fire-boxes and transportation cranes obtained in bulk and for general superintendence and control over stores organisation on all Indian Railways. This Directorate has also been entrusted with the work connected with the development of indigenous capacity for the manufacture of carriages, wagons and Signalling and Tele-communication equipment for which separate developmental tenders have been issued. It has co-ordinated shipments of components and wheelsets at several assembly points established to receive and assemble imported wagons. It has undertaken standardisation of forms on all Railways—a work, which is now nearing completion. Other important matters handled by this Directorate are disposal of excess and surplus stores, scrap

disposal policy, introduction of the use of Khadi on Railways, co-ordination of supply and distribution of coal to Railways, all arrangements connected with the steps to be taken to meet the steel requirements of the Railways, general matters of stores policy and those arising out of reports of the various Committees from time to time.

19. The table below shows the cost of the Stores Organisation of the Railways and the number of staff employed therein during each of the years 1952-53 to 1954-55:—

(Figures in crores of Rs.)

	1952-53	1953-54	1954-55
(i) Aggregate cost of Stores organisation on Railways	2·91	3·21	3·54
(ii) Total number of staff employed in the Stores Organisation on 31st March :			
Class I and II Officers	Nos. 122	Nos. 128	Nos. 131
Class III (Pay over Rs. 250)	286	293	304
Class III (Pay less than Rs. 250)	7,687	8,350	8,645
Class IV	12,246	12,844	13,394
	20,341	21,615	22,474

B. Definition of Railway Stores:

20. It is not easy to give any precise definition of the term 'Railway Stores', as the term includes thousands and thousands of different items. Broadly speaking, the Railway stores are classified into the following major heads:—

- A. Bridge work and its parts, fittings and special fastenings.
- B. Engineering Plant and components including all hand and power machinery.
- C. Workshop Machinery, plant and equipment including Pneumatic machinery and tools.
- D. Permanent Way Material and Track tools:—
 - (a) Rails, (b) Steel sleepers, (c) Cast-iron sleepers, (d) Wooden sleepers, (e) and (f) Other P. W. material.

Eal. Steam locomotives and their parts and fittings, including brake gear, but excluding electrical material.

Eb1. Railway carriage and wagon underframes and components including brake rigging, but excluding electrical material and train lighting material.

Eb2. Railway Carriage and wagon body components excluding electrical, gas, rubber and textile fittings.

Evb. Automatic Vacuum Brake Equipment and its parts and fittings other than rigging and parts exclusively used on locomotives.

Eb 6. Trimmings, i.e. textile, fibre and leather articles used for furnishing railway carriage interiors and roofing, flooring and sewing materials.

F 1. Building material, water mains, sewage system and track and yard enclosing material, and all other parts and fittings.

F 2. Signal and Interlocking material and their parts and fittings.

Gbl. Hardware, Copper, Tin and Zincware, *i.e.*, all simple material in common use manufactured from raw metal.

Gb3. All leather, canvas and India rubber in bulk, and articles made from them, which are not included under other heads.

Gb4. Metals.

Gb5. Painter's Stores.

Gb6. Timber.

Gb7. Fuel and fuel oil.

H(a to e). Electrical and Train and Locomotive Lighting Plants and materials etc. and Telegraph and Telephone equipment.

All other stores not detailed in the above major heads:

Foodgrains and groceries etc.

Other stores.

C. Channels of Procurement

21. The channels of procurement of Railway stores vary according to the nature of stores. Generally, the stores are procured through different Ministries as under:—

(i) **Ministry of Railways (Railway Board).**—(a) The Railway Board arranges the purchase of coal, rails sleepers and Rolling Stock.

Coal.—The Railways furnish a forecast of their monthly requirements of coal to the Railway Board. A consolidated statement including coal required to build the stocks is submitted to the Deputy Coal Commissioner and the Chief Mining Engineer of the Production Ministry to arrange for the supply of coal to the respective Railways. The Coal Commissioner arranges supplies of various grades of coal according to availability and transport facilities.

Rails.—Upto July, 1952, rails were controlled items and quota allotment was made by the Ministry of Commerce and Industry to the Railway Board, which was distributed to the Railways in accordance with the urgency of their demands. From July, 1952 rails were decontrolled. After decontrol, the Railways place their demands for approved items of their Works Programmes with Iron and Steel Controller direct, who plans the demands on the indigenous producers and procures the balance by imports.

Sleepers.—The procedure has been explained in paras 54, 55 and 56 of the Twenty-First Report of the Estimates Committee.

Rolling Stock.—The detailed procedure of procurement of Rolling stock has been described in para 92 of the Twenty-First Report of the Estimates Committee.

(b) Various Railway Administrations procure items of stores other than those items prescribed for procurement through special agencies and in the case of items specified to be purchased through such agencies, stores to cover demands below the set minimum monetary limit, and during emergencies to meet sudden demands or against failure of special agencies.

(ii) **Ministry of Works, Housing and Supply.**—(a) The items other than those mentioned in i(a) above are obtained through the D.G.S. & D. and his Regional Directors in Bombay, Calcutta and Madras. Indents are submitted by the various Railway Administrations. Items of stores to be imported from abroad are cross-mandated by the Central Purchase Organisation through the Director General, India Stores Department, London and the India Supply Mission, Washington, wherever necessary.

(b) For textiles, basic cloth for staff uniforms, water-proof clothing and tarpaulins, cotton waste for the packing of carriage and locomotive journals and for general cleaning purposes, indents used to be placed with the Textile Commissioner, Bombay; but the portion of the office of the Textile Commissioner, Bombay, which dealt with purchases of cotton textiles, has been merged in the Directorate General of Supplies and Disposals in November, 1953.

(c) Stationery articles of Railways are all procured through indents placed on the Deputy Controller of Stationery, Calcutta.

(iii) **Ministry of Production.**—Mathematical instruments are procured from the Superintendent, National Instruments Factory, Calcutta, who, in turn, indicates the items that can be supplied ex-stock or on forward delivery basis. Firm indents are placed on him for all items that are offered in reasonable time. The balance are arranged for by direct purchase.

(iv) **Ministry of Communications.**—Telephones and their component parts are being purchased by the Railways from Messrs Indian Telephone Industries, Bangalore.

(v) **Ministry of Health.**—Medical stores required by the Railways are purchased by placing indents on the following Central Purchasing Government Agencies:—

- (a) Government Medical Stores Depots at Calcutta, Bombay, Karnal—for all items stocked there as per price vocabulary of the Government medical stores.
- (b) Haffkins Institute, Bombay for sera and vaccine.
- (c) Vaccine Institute, Belgaum for calf lymph.

22. Each of these agencies for procurement has formulated a programme for the submission of indents, the largest being the Director General of Supplies and Disposals. The Committee understand that the Railways are experiencing some difficulty with the supply position of stationery items. Emergency purchases have often to be resorted to by the Railways to meet the urgent demands. The Railways have been authorised to make local purchases upto three months' requirements at a time of items, which are not received in time from the Controller of Stationery. As regards mathematical

instruments, the Committee gather that, though in some cases the prices quoted are rather high and deliveries protracted, the procedure on the whole is working satisfactorily. The position in regard to supply of telephone instruments is that in many cases, Messrs Indian Telephone Industries are still unable to supply the demands of the Railways ex-stock and are offering materials only on 'forward delivery' basis.

D. Criteria of fixing the requirements of stores

23. The basis adopted on Railways for fixing the requirement of particular items of stores is:

- (i) The past consumption of stock items and the expected future trend including any increase or decrease of consumption;
- (ii) The estimates worked out by the consuming departments for non-stock items and for stores required for capital works.

24. A minimum limit for each stock item is fixed taking into account the time taken for procurement in each case and the anticipated consumption. This limit necessarily varies for indigenously purchased, imported and shop manufactured items. Recoupment is made as and when the stock available reaches the minimum limit. A maximum limit is also fixed for each item and the recoupment is so adjusted that stock in hand generally does not exceed the fixed maximum as far as possible.

25. The Railways procure bulk of their stores through the D.G.S. & D. on whom annual indents for various classes of stores are submitted on a programmed basis. In these cases the provision is made for a period of 12 months at a time. For shop-manufactured items recoupment is made for periods varying from 4 to 6 months at a time.

26. In fixing the stock recoupment point (minimum limit), a distinction is made between stores manufactured in India and those that have to be imported. A higher minimum limit is fixed in the case of imported stores (as much as 12 to 18 months for certain items) against a normal limit of about 4 to 6 months for the stores manufactured in India. The average rate of consumption is calculated over a period varying from 12 months in some cases to 3 years in others. Stock balances to the fullest extent as also "supplies on order due" are taken into account, while estimating the requirements.

E. Indents placed with the D.G.S. & D.

(a) Types of indents:

27. *Programme indents* relate to normal approximate annual requirement for which the D.G.S. & D. gets adequate notice.

Ad hoc indents are indents for quantities in excess of what was originally contemplated in the Programme indents; and

Express indents relate to requirements to be supplied within a month or two.

28. A definite programme for submission of indents to the D.G.S. & D. was drawn up in 1946. According to this programme, the Railways had agreed to place their indents with the Purchase Organisation for certain classes of stores by certain specified dates and reduce the number of *ad hoc* indents. After reviewing the working of these arrangements during the years 1952-53 and 1953-54, the Stores Purchase Committee came to the conclusion that the position was not very encouraging. The number of *ad hoc* indents and express indents placed by the Railways during 1954-55 was also large. The following figures are interesting:

	1952-53	1953-54	1954-55
(1) 'Price' programme indents	1,433	1,306	2,333
(2) 'Ad hoc' indents	1,828	1,129	3,615
(3) 'Express' indents	Not available	Not available	237
(4) Percentage of 'Ad hoc' to 'Programme' indents	128	86	155

The Committee view with concern the deterioration in the position in 1954-55. As the Stores Purchase Committee had observed, the years 1952-53 and 1953-54 were particularly difficult for procurement of programme of indents, because of the regrouping of the Railways, and special stores reviews undertaken in accordance with the recommendations of the Railway Stores Enquiry Committee.

29. The Committee were informed that during 1955, a large number of works to increase line capacity had been sanctioned and special indents were placed for speedy execution of works, and that until conditions became normal, it might not be possible to eliminate special indents. The Committee were assured that in the case of indents for proprietary articles or stores of specific makes and brands, every attempt was made to keep them at a minimum. The Railways had to make out a very strong case before asking for proprietary articles.

30. The fact that so many '*ad hoc*' indents have been placed during each of the years 1952-53 to 1954-55 goes to show that there is not sufficient advance planning. The Committee feel that the Railway indentors should have a definite programme chalked out sufficiently in advance and intimate their requirements to the D. G. S. & D., who can then try to procure the articles in good time, on a planned basis.

(b) Overdue indents:

31. Each Railway administration has its progress section or indent section to watch the progress of indents placed with the Director-General of Supplies and Disposals.

32. Overdue indents can be divided into two groups: (i) those where purchase order has not been placed by the D.G.S. & D. and (ii) those where an order has been placed, but the deliveries are overdue. In both the cases, periodical reminders are sent to the

Director General and the question is also discussed at the periodical meetings held between the D.G.S. & D. and the Controller of Stores.

33. The Committee understand that the following number of indents was in arrears on 31st March, 1955.

Name of the Railway	Indents in arrears on 31-3-55		
	Over two years	Below two years	Total
Eastern	Periodical . 8	Periodical . 7	15
South Eastern	-do- . 26	-do- . .	26
Central		-do- . 48	. .
		Casual . 33	81
Northern	Periodical . 5 } Casual . 1 } 6	Periodical . 20 } Casual . 110 } 130	136
Southern	Periodical . 24	Periodical . 304	328
North-Eastern	Periodical . 21 } Casual . 4 } 25	Periodical . 185 } Casual . 76 } 261	286
Western	Periodical . 20 } Casual . 2 } 22	Periodical . 193 } Casual . 198 } 391	413

(c) Longest overdue indents:

Railway	Dates	Railway	Dates
Eastern	5-2-53	Southern ?	27-5-50
South-Eastern	15-1-50	North-Eastern	16-12-48
Central	July, 53	Western	12-8-52
Northern	11-12-51		

34. The Committee consider it rather unfortunate that as many as 111 indents should be in arrears for over two years on 31st March, 55 and hope that with the implementation of the recommendations contained in the Report of the Stores Purchase Committee, there will not be any such large scale delays on the part of D.G.S. & D. As far as the Railways are concerned, the Committee suggest that apart from the discussions held between the Purchase Officers of the D.G.S. & D. and the Controllers of Stores, the Liaison Officer of the Railways attached to the Central Purchase Organisation should do their best by close co-ordination and constant chasing to ensure that such heavy delays do not occur in future. The Indian Railway Enquiry Committee (1947) had suggested that joint meetings of the Controllers of Stores and the Industry and Supply Ministry (now Works, Housing and Supply) should be held quarterly. The Committee understand that actually the meetings are held at half-yearly intervals. The Committee suggest that the position be reviewed and that the meetings should be held at quarterly intervals, when non-compliance of indents for over three months should be discussed and steps taken to reduce the delays.

F. Procedure for registering contractors

35. The number of approved contractors for supply of Railway Stock for the respective Railways is furnished below:—

Name of the Railway	Number of contractors in		
	1952-53	1953-54	1954-55
Northern	440	430	450
Central	486	563	651
South-Eastern	533	580	420
North-Eastern	334	342	259
Southern	429	487	592
Western	389	416	577
Eastern	*	*	475

*Eastern Railway has stated that separate Nos. during 1952-53 and 1953-54 are not available. There have however, not been many changes as compared to the figures of 1954-55. The Committee fail to appreciate why the Eastern Railway should be unable to furnish this information.

36. The procedure followed on all Railways for adding the name of new contractors in the approved list is generally uniform. Any firm applying for enlistment as approved contractors is asked to fill in a prescribed questionnaire form and to submit a valid income-tax clearance certificate. Wherever necessary, firms' premises or workshops are inspected to judge capacity and range of items dealt with or manufactured. If a firm is found suitable in all respects, it is then registered for the supply of specified stores or a category of stores.

37. The procedure adopted by the various Railways for placing contractors in the approved list of the merged Railways was as follows:—

Name of the Railway	Procedure
Southern	The Contractors on the approved list of the pre-merged Railways, who paid the required deposits were put on the approved list in the merged system.
Central	-do-
North-Eastern	The policy has not yet been evolved.
Eastern & South Eastern	No Railway has been merged with the systems.
Western	Such firms/contractors were treated at par with the new entrants seeking fresh registration.
Northern	Firms which were borne on the approved list of the former Jodhpur & Bikaner State Railways, were asked to make fresh applications. These applications were examined on the same basis as if for fresh enlistment of new contractors.

From the above, it will be seen that the procedure is not uniform. The procedure adopted by the Western and Northern Railways has created hardships to the approved contractors of the merged Railways. The Committee, therefore, recommend that the policy adopted by the Southern and the Central Railways should be introduced uniformly on all Indian Railways, in this respect.

38. The Committee understand that, in practice, it is not possible to adhere at all times to the maximum time limit fixed for registration of a new firm as recommended by the Stores Purchase Committee (*i.e. three months*). The Committee recommend that in respect of Small Scale and Cottage Industries for which no special facilities are being given for registration at present, special concessions may be given hereafter so as to give a fillip to those industries. The matter may be examined in consultation with the Ministry of Works, Housing and Supply so that a common procedure may be evolved in the matter. The Committee also suggest that steps should be taken to adhere to the time limit for the registration of a new firm as laid down by the Stores Purchase Committee.

G. Tenders

39. The Committee understand that, on the value of stores for Rs. 10,000 and above, open tenders by advertisement are called for and if the value is less than Rs. 10,000, limited tenders are invited. The limit has been recently extended from Rs. 5,000 to Rs. 10,000 in accordance with the recommendations of the Stores Purchase Committee. Limited tenders are issued for articles which are required on short notice and that too, after obtaining the necessary certification from the Financial Adviser concerned. The Tender Committee usually consists of the Controller of Stores, the Deputy Financial Adviser and the Deputy General Manager of the concerned Railway. No non-official is associated with the Committee. The Committee suggest that some non-officials who are not interested in actual trade but who have experience in the line, be associated with the tender committees. This will have two advantages: (a) the benefit of the experience of the non-officials will be available to the Tender Committee, and (b) the official members of the Tender Committees will not be exposed to any criticisms of favouritism etc. The Committee also reiterate the recommendation made by the Stores Purchase Committee that 'late' tenders should not be considered at all.

40. The Committee understand that sometimes the Railway Administrations do not indicate the materials of construction, and the tolerances in the tenders and that the tenderers are not allowed copies of drawings and specifications. The representative of the Ministry assured the Committee that normally this did not happen and usually drawings and specifications were given. But when specifications and drawings are not available, tenderers are allowed to take the sample patterns and the same procedure applies even in respect of articles of proprietary nature. The Committee understand that the Railway Board proposed to strengthen the Central

Standards Office which prepares the drawings in order that the requisite number of drawings and copies of specifications are supplied to the prospective tenderers without any difficulty. The Committee suggest that the Railway Board may bring out a handbook containing the drawings and specifications of items of equipment they require so as to make it readily available and useful to the manufacturers. This will obviate the frequent preparation of copies of drawings and specifications which throws additional burden on the Central Standards Office.

III. PURCHASE SYSTEMS AND DECENTRALISATION

A. Central Purchase Organisation

41. The Railway Stores Enquiry Committee (1950-51), which made a detailed investigation of the various problems of Railway stores noticed inordinate delays in the supply of stores through the Directorate General of Supplies and Disposals resulting in considerable set-back in the normal working of the Railways and recommended that the then existing arrangements for obtaining supplies of railway stores, under which the responsibility rested on another Ministry should be radically altered and the responsibility for obtaining supplies of items peculiar to Railways and of those common-user items, which are essential for Railway operation and workshop production should be placed on the Railways themselves. They further recommended that other common-user items might continue to be obtained from the existing Government agencies working under the other Ministries.

42. The Railway Workshop Reviewing Committee had also observed that shortage of material applied universally to all Railways.

43. During the tours of the Sub-Committees of the Estimates Committee, they had observed that the progress of works undertaken was often retarded due to shortage of material. The Committee are, therefore, in entire agreement with the following observations of the Railway Accidents Enquiry Committee (1954):

“Departmental or ministerial considerations at the centre, based on the theoretical advantages of centralisation, should be relaxed as far as the provisioning of Railways is concerned as this factor, more than any other, is handicapping them in their efforts to provide additional carrying capacity, with safe operation. Four years ago, the “Shroff” Committee first drew attention to this serious handicap on efficient operation and quick progress of Railway projects and responsible authorities at all levels agree that it is not possible to make good progress, while supplies of materials are short and uncertain. We are convinced that the output of railway workshops, sheds etc. could be increased substantially without additional equipment, or additional staff, or any overtime or multi-shift working, if the necessary stores could be supplied in time. We, therefore, hold that the present system of procurement is primarily to blame for this particular bottleneck on Railways. If insurmountable administrative or other considerations induce Government to adhere to the current procurement procedures, Railways should both in the national and in their own interests be permitted to carry appreciably larger stocks of stores, in the depots of their consuming agencies, increasing present balances suitably to avoid holding up essential production. The present practice in the D.G.S. & D. of insisting on indents two years, or

more before the material is expected to be used and the artificialities of the Stores accounting system, are all additional major handicaps, which require immediate remedy. These chronic shortages of materials have an important bearing on safety factors both in maintenance and operation."

44. The Stores Purchase Committee, which submitted their Report on the 15th March, 1955, however, recommended that the policy of centralised purchase through the Central Purchase Organisation should continue. They have also recommended that the Railways, the Posts and Telegraphs and Defence Departments should be authorised to make direct purchases upto the enhanced value of Rs. 10,000/- in each case. The indenting departments should have authority to make direct purchases in emergencies. The Director-General of Supplies and Disposals assured the Committee that with the implementation of the recommendations of the Stores Purchase Committee and the improvements brought about as a result, the difficulties experienced in the past in procuring railway stores through his Ministry would be considerably minimised. He added that, in pursuance of the recommendations of the Stores Purchase Committee, several experienced senior officials of the Railway Board had been or were being taken to equip the D.G.S. & D. with proper appreciation and realization of the urgency of indents with a view to solving the problem of supply. This would enable the D. G. S. & D. to serve the Railways with a little more efficiency. The Committee have no objection in principle to the system of making purchases through the Central Purchase Organisation. The Committee are, however, anxious to see that the Second Five Year Plan of Indian Railways is in no way jeopardised due to delayed and inadequate supply of stores. The Committee hope that the various recommendations made by the Stores Purchase Committee will be pursued vigorously and as a result of the improvement brought about therein, the situation of continued short supply, hampering the programme of works of Railways will not be allowed to recur, especially during the Second Five Year Plan.

B. Decentralisation of stores purchase in the Railways

45. The question then arises as to whether the existing method of purchase of stores by the Railways should be allowed to continue or whether it should be decentralised. The Committee observe that at present, there is not enough decentralisation in the matter of purchase of stores in the Railways. As a result of the recommendations made by the Stores Purchase Committee, the Railways have been authorised to make purchases upto Rs. 10,000/- in each case. Formerly, the limit was Rs. 2,000/- in each case and for each class of item. The Central Purchase Agency will continue to be responsible for most of the Railway requirements except those valued under Rs. 10,000/-. In emergencies to be decided by the General Manager of the Railway concerned in consultation with Finance and the Director-General of Supplies and Disposals, the limit of Rs. 10,000/- could be exceeded for expeditious procurement of stores to keep up the working of the Railways. The value of purchase of individual items costing more than Rs. 10,000/- made

by the Railway Administration during the years 1952-53, 1953-54 and 1954-55 is indicated below:—

1952-53	Rs. 47.59 lakhs
1953-54	Rs. 99.85 lakhs
1954-55	Rs. 178.45 lakhs

46. The Committee understand that in some cases, particularly where purchase of locos, carriages, signalling and non-ferrous components are concerned, as also requirements of large construction and production units, ceiling limit of Rs. 10,000 may not be adequate. As the ceiling limit has, however, been adopted only recently, the results will be watched by the Railway Board. While the Committee have no objection to a cautious policy being followed in the matter, they would suggest that the limit should be enhanced, if necessary, after gaining experience about the manner in which the present limit facilitates actual purchases.

47. The Committee also suggest that there should be greater decentralisation of purchase with a view to encourage small-scale industries. The Committee gathered that the increase of the monetary limit for departmental purchase from Rs. 2,000/- to Rs. 10,000/- recommended by the Stores Purchase Committee was mainly intended to facilitate the growth of small-scale industries, which would get orders from various Departments and would welcome them. The Committee understand that in Bombay and Saurashtra, Regional Railway Equipment Committees have been functioning under the patronage of the State Governments with a view to seeing that as much railway equipment as possible for consumption in the respective areas is procured from within the States. It is also the business of the Regional Committees to put the producers and purchasers into contact with one another. The Committee feel that the Railway Ministry should approach the other State Governments with a view to establishing similar committees in their respective states.

48. The Stores Purchase Committee have suggested that the more important items of purchase made by the Central Purchase Organisation should be transferred to the regional offices rather than being controlled by the Centre. In fact, they have held that there must be very few items which should be purchased through the Directorate General of Supplies and Disposals and that their branch offices should purchase from 80 to 90% of the items. With this end in view, more branches have been recommended to be opened with increased powers of purchase. The Committee feel that in the Railways too the Divisional Superintendents should be authorised to make local purchases upto a suitable specified limit with the object of giving encouragement to local cottage and small-scale industries. This will also incidentally serve to avoid unnecessary haulage.

49. The Committee also recommend that the schedule of powers laid down for authorising local purchases should be reviewed and decentralised to a greater extent. Periodical combined inspections by the Stores and Accounts Inspectors should be prescribed with a view to ensure that the decentralised powers are correctly used. The Committee would even suggest that limited powers may be delegated to the Station Masters, Loco-foremen and Train examiners for making local purchases of small items of daily use, upto a specified limit.

C. Purchase from Cottage and Small-Scale Industries

50. The Stores Purchase Committee have recommended that certain types of stores should be reserved for purchase from Cottage Industries and from none else. They have drawn up a list showing the articles that could be had from the village and small-scale industries.

51. The Committee understand that the Small-Scale Industries Board is drawing up a comprehensive list of articles, which can be bought by Government Departments from the cottage and small-scale industries. The Committee also understand that the Railways have taken adequate steps in the matter of purchase from cottage and small scale industries, but the main difficulty is that many of the items which cost considerable money are not available from the cottage and small-scale industries. The purchases made by the Railways in 1954-55 from the cottage and small-scale industries were worth about Rs. 1.33 crores. The Committee consider that for purchase from the small-scale industries, the D.G.S. & D. would not function as effectively as the Railways, because the Railways have their Divisional/District Organisations throughout the country, whereas the D.G.S & D has got his offices only at New Delhi, Calcutta, Bombay and Madras. The Committee recommend that the Railways should give as much encouragement as possible to the cottage and small-scale industries. Certain items of stores will have to be exclusively reserved for purchase from such industries in consultation with the Small-Scale Industries Board and the Directorate General of Supplies and Disposals. The Committee recommend that brief particulars of the items purchased from the cottage and small-scale industries and the value paid should be included in the Annual Reports of the Railway Board.

D. Use of Khadi in Railways

52. In order to promote the use of Khadi for uniforms and other purposes, the Railway Board furnished to the All India Khadi Board a statement giving the requirements of the Railways for different varieties of mill-made cotton cloth and they were asked to develop the manufacture of suitable substitutes in Khadi. As a result thereof, a sample of Dosuti Khadi-blue submitted by the Khadi Board has been approved. Railways have been advised to use the same in lieu of the mill-made cloth for the fabrication of uniforms of Class IV staff. About 186,000 railway employees will receive uniforms made of Khadi during the summer of 1956. It is expected that the Railways will purchase during 1956-57 over 1.3 million yards of Khadi valued at about Rs. 27 lakhs. The quantity might have been more, if it were available.

53. The Committee were informed that according to the latest reports, out of total purchases of articles, for which Khadi could be used, 90% was made in Khadi in 1954-55 and that the Khadi Board is trying to find out ways and means to meet the requirements of the Railways in full. It has also been decided that the extra cost on the purchase of Khadi would be met to the extent of Rs. 50 lakhs a year. The Committee are glad to note the encouragement that is being given to Khadi by the Railway Ministry and hope that the use of Khadi will be progressively increased in future. The Com-

mittee recommend that the details of the purchase of Khadi (quantity and value) should be regularly included in the Annual Reports of the Railway Board.

E. Price preference for indigenous products

54. In respect of indigenous products, the Stores Purchase Committee have recommended 15% of price preference generally over imported stores. A higher price preference upto 25% or even more, has also been recommended to be allowed in special cases. The Committee understand that this recommendation has been accepted and implemented by Government. The Railways too are acting upon the recommendation so far as the purchases by them under emergency circumstances are concerned. The Committee understand that due to the price preference, supplies from indigenous sources are forthcoming to a greater extent. Also, due weightage is being given to the supplies with a large proportion of the indigenous components, while purchasing the imported stores. The Committee were informed by the D.G.S. & D. that it had since been decided by the latter that if indigenous goods of the quality required were available and were within the delivery period, the price factor should not be allowed to stand in the way of getting supplies from indigenous sources. Where, however, the deliveries were so protracted that essential works would be held up or where it was found that the indigenous source, because of its monopoly, put up exorbitant prices, the D.G.S. & D. had not hesitated to import.

55. The Committee would like the purchasing organisation of the Railways to keep this recommendation of the Stores Purchase Committee about giving price-preference to indigenous products constantly in view. Any complaints about non-compliance of this recommendation should be promptly and properly investigated by the higher authorities.

F. Relaxation of standards in regard to indigenous products

56. The Committee understand that while relaxation could be made with regard to many items, the purchasers were reluctant to permit such relaxation. This may be due to the prejudice of indentors against using articles of equipment, which their predecessors have been using for several decades. There were articles, which even though available from indigenous sources were purchased from foreign countries on the plea that they were not upto the requisite standard or quality. Even though items were manufactured according to the specifications sometimes, they were simply rejected. It was represented to the Committee that, for instance, the indigenous paints were not encouraged on the ground that they did not come up to the standard of the brand of paints, which Government Departments had been accustomed to use for so many years. In the case of ply-belting, the Committee were informed that the material produced in the country was of inferior quality and that the Railways had to depend on foreign belting. The Committee suggest that even though Indian paints lasted one year instead of for a longer period for which the foreign paints lasted and even if it was necessary to give more coatings, Indian paints should be preferred, because the money spent would remain within the country. Similarly, in the case of ply-belting, the Committee suggest that the Railways

should ensure that the indigenous factories do not have to close down for want of orders. Standards of quality can be determined in consultation with the Indian Standards Institution. The quality of the indigenous material receiving such encouragement is bound to improve in course of time.

57. The Committee are glad to learn that a section is being set up in the Railway Equipment Directorate with the object of giving encouragement to indigenous products, with due regard to the technical limitations consistent with the requirements of safety. More specifically, the duty of the section would be to try and help new industries and also to encourage expansion of the existing industries to cope with the requirements of the Railways. The Committee hope that the proposed section will be set up without any loss of time.

58. As stated earlier, the Railway Ministry had issued a press note dated 16-4-'55 to the effect that they would be glad to entertain new products, which might be of particular use to the Railways.

59. The Committee understand that in response to the press notice dated 16-4-'55, issued by the Railway Board, only a few firms have so far approached the Ministry of Railways for information. These enquiries are of an exploratory nature seeking particulars of the requirements of the Railways. No requests for actual trials of new products of particular use to the Railways have been received since the issue of the Press Note in question. The Committee suggest that a fresh Press Notice should be issued and, if necessary, be supplemented by advertisements in each of the leading newspapers in all the languages of the country reiterating the needs of the Railways and their plans to give an impetus to the existing and prospective manufacturers for production of the requisite Railway equipment within the country.

G. Difficulties in local purchase

60. Appendix I enumerates the difficulties experienced in arranging local purchase of stores by the various Railway Administrations. The Committee hope that energetic steps will be taken to overcome these difficulties.

61. The Committee observe, in particular, that the policy regarding payment of sales-tax in the case of inter-state transactions to the suppliers of stores is under formulation in consultation with the Attorney General of India and the Ministry of Law. The Committee recommend that in order to avoid any possible misapprehensions regarding the payment of sales-tax, the recommendation made by the Stores Purchase Committee that quotations should automatically be of an 'all inclusive' basis, (that is, inclusive of sales-tax and other local taxes) should be implemented by the Railways also.

IV. CUSTODY AND CONTROL OF STORES

A. Introduction

62. As stated earlier, each Zonal Railway has a Stores Organisation under the Controller of Stores, (who has the rank of a Head

of the Department) for the purposes of purchase, stock and issue of stores required for the working of the Railway. The Organisation is divided into two major sections, the Purchase Organisation and Stock Depot Organisation. Purchases are controlled essentially from the Central Office of the Controller of Stores who is assisted by a number of senior scale and assistant officers called District Controller of Stores (purchases) and Assistant Controller of Stores (Purchases) respectively. The stocking and issue of stores is made in depot organisations, each depot of which would be under the charge either of a District Controller of Stores i.e., D.C.O. S., in the case of major depots or Assistant Controller of Stores i.e. A.C.O.S. in the case of minor depots. As the major supply of stores materials is intended for workshops, usually each workshop has attached to it one or more depots of stores under the control of Stores Officers. Though they are attached to workshops and act as their servicing agents, they maintain a separate organisation of their own.

63. Besides this, every Railway has Scrap Yards where condemned and deteriorated stores materials are stocked and disposed of. In many cases attempts are made to repair and recondition as far as possible costly scrap stores.

B. Number of Depots and Wards

64. The number of Depots and Wards and the volume of transactions handled during the year 1954-55 are given in Appendix II.

65. Railway stores are divided into various classes of stores. Each class comprises items of similar nature or similar use such as locomotives components, vacuum brake fittings, workshop machines, metals and metal sections, signalling material etc. As far as possible, attempts are made to keep all stores belonging to one class in one ward but when the number of items of one class are too many for one ward they are spread over several wards; there are also cases of several classes of stores being kept in one ward.

66. The number of items stocked in a ward depends upon the number of transactions of the items. There are some fast moving items, such as kerosene and lubricating oils, of which even half a dozen items can be sufficiently heavy to form one ward. In the case of slow moving items like locomotives components, as many as 4000 items can be kept in one ward. While no hard and fast yard-stick is possible for determining the size of a ward normally 700 to 1000 general stores items and 2000 to 4000 carriage and wagon and locomotive items can be considered to form a manageable ward.

67. The strength of the staff in each ward varies according to the nature of the items stocked in each ward, the number of items and extent of transactions. Each ward is under the direct charge of a Ward Keeper or Assistant Depot Store Keeper assisted by one or more Ward Keepers. The overall charge of the ward is in the hands

of a senior supervisor i.e. a Depot Stores Keeper. The Railway Board has fixed, as an approximate guide, the strength of a ward as under:

ASDK—	1 He usually has a number of wards under him.
Ward Keeper—	1 to 2
Clerks—	1 to 3
Material Clerks—	As necessary
Tindal—	1 to 2
Labour—	10 to 30 approx.

68. In this connection, the Committee would like to refer to para. 263 (iii) of the Railway Corruption Enquiry Committee:—

“Usually stores in the depots are in charge of the Ward Keepers. The Indian Railway Code of the Stores Department envisages a security deposit being obtained from the Ward Keepers; but this is not being done. We suggest that this rule should be enforced”.

69. The Committee are surprised to note that a codal rule has not been enforced and suggest that the security deposit be obtained from each and every Ward Keeper in all the Railways. The Railway Board should ensure that the security deposit has been taken in all the cases by a target date. The Committee also wish to reiterate the recommendation made by the Railway Corruption Enquiry Committee, that there should be independent ‘spot’ checks on all branches of the Stores Departments of the Railways by statutory audit.

C. Control exercised over value of stores by Stores Department

70. Every month, the Controller of Stores gets a return showing the value of receipts, issues and stores balances for each class of stores. This is checked every month. Whenever there is an abnormal rise or fall, the causes thereof are examined. This review enables the Controller of Stores to gauge the trend of stores balances, and arrangements are made to adjust recoupments wherever necessary. The estimates sheets, recoupments and requisitions received from stores depots are also scrutinised by the office of the Controller of Stores and excess and surplus stocks at one depot are transferred to another depot or where necessary offered to other Railways. Such stores as have not been utilised for two years and are unlikely to be utilised in the near future either by the owning Railway or by other Railway, are put up before the Survey Committee for recommending suitable methods of disposal.

D. Control exercised by consuming departments

71. All demands for stores are countersigned by the executive officers who are required to satisfy themselves that the quantities indented are reasonable. Stores for works are arranged only on the basis of the estimates sanctioned by a competent authority. On completion of each work, the officer in charge of the works checks the quantum of work done and the stores left unused. Surplus

materials are disposed of either by transfer to other works or return to stores depots.

72. Schedules laying down the quantum of consumable stores to be supplied monthly to each shop are issued and the foreman of each shop is responsible to see that only quantities actually required within the schedules actually are drawn. Occasionally test checks are made by the controlling officers to see that the schedules are being adhered to. Materials required for carriage building and other such capital works are also stocked and issued as per sanctioned schedule for each work.

E. Control exercised by the Financial Adviser and Chief Accounts Officer.

73. All indents in respect of purchase to be made by the Railways are certified in respect of availability of funds by the Financial Adviser and the Chief Accounts Officer. The F.A. & C.A.O. brings to the notice of the Controller of Stores cases where the price paid is substantially higher than the price paid on previous occasions. As a matter of fact, price paid on previous occasions is the basic information against which all purchases are judged by purchasing officers before finalising an order. The F. A. & C.A.O. also exercises control on the level of stores balances under various classes of stores. Monthly statements showing the amount of receipts, issues and closing balance under different classes of stores at the end of each month are forwarded by him to the Controllers of Stores for action if deemed necessary.

F. Control over numerical card ledgers

74. The ledger section is normally put under the charge of a Senior subordinate of the rank of a Depot Store Keeper, who exercises regular checks on the upkeep of numerical ledgers. In addition, periodical checks are exercised to see that posting is not in arrears and that ledgers are properly maintained. The position regarding the posting and reconciliation of price ledgers on each Railway is given below :—

Northern, Central, Western and South-Eastern Railways.—
Up-to-date.

Eastern Railway.—The posting and reconciliation of price ledgers is up-to-date except at Hali-shahar and Kancharpara depots where the position of posting and daily reconciliation are in arrears by 12 days and 24 days respectively.

North-Eastern Railway.—In the Ex-O.T. Railway, the arrears upto the 1st November 1953 have been segregated and the reconciliation with the numerical ledger cards is in progress. The posting and reconciliation work is current since 1st November 1953. In the ex-Assam Railway portion, the ledger posting to the extent of 257 days is in arrears.

Southern Railway.—In 3 Depots, the posting of price ledger and the reconciliation of price ledger with numerical ledger cards is up-to-date, and in the remaining three depots these items are in arrears between 10 to 20 days.

75. The Committee see no reason why with the large staff that are employed in the Stores Organisations of Railways, there should be any arrears in the posting and reconciliation of price ledgers. Non-posting and reconciliation of price ledgers with numerical ledger cards is fraught with the risk of embezzlement by unscrupulous employees. As the very idea of reconciliation is to ensure correct accountal of stores, the Committee recommend that the causes which led to the arrears in the Eastern, the North-Eastern and the Southern Railways should be thoroughly investigated and steps taken to avoid recurrence of similar arrears in future. The work in arrears should also be brought up-to-date by a target date which should be fixed by the Railway Ministry.

G. Procedure for Stock verification

76. The stores, whether in a stores depot or with a department, are verified by the stock verifiers of the Accounts Department (and Inspectors of Stores Accounts). All the materials in a depot are verified once a year, materials at the site of works and stores with imprest holders once in two years and all tools and plants once in three years as under :—

77. The nomenclature of stores, price list No. and class etc., of items proposed to be verified are entered in the field book from the numerical ledgers maintained in the depots. The stock lying in the godown for these price list Nos. are counted, weighed or measured (as the case may be), by the stock verifiers personally and recorded in the field work book. After working out the actual stocks of these items, the acceptance of the Ward Keeper or Stores Keeper concerned is obtained on the field work.

78. A stock verification sheet is then prepared by the Stock Verifier showing the numerical balance from the numerical ledger cards, the ground balance from the field book and the deficiency, **if any**. The verified ground balances are posted in the numerical ledger cards. In case the ground balances tally with the balance in the numerical ledger card, the latter is initialled by the Stock Verifier in token of check and the stock sheet prepared accordingly.

79. Stock sheets for all items are prepared in triplicate. Two copies are sent to the Stores Accounts Officer for pricing and comparing the priced ledger balances with the verified ground balances and for posting the difference in the price ledgers. The third copy is handed over to the Store Keeper in-charge. The Stores Accounts Office sends back one copy of the stock sheet duly priced to the Depot Officer for furnishing explanations for variations. One copy of the stock sheet is returned to the Accounts Officer by the Store Keeper through his controlling officer with the necessary explanation. The explanation is scrutinised by the Accounts Officer and if satisfactory, the stock sheets are filed. Explanations for variations up to a certain monetary limit (Rs. 50 generally) are accepted by the Depot Officer (Senior Scale) and upto Rs. 1,000 and under by the head of the department or the Divisional Superintendent. **Beyond this limit**, the stock sheets have to be signed by the General Manager in token of acceptance of explanations. All items for which satisfactory explanations have not been offered by the Executive are entered in an "Accounts not" for calling for further remarks of the Executive Officer.

80. The procedure for the verification of materials at the site of work, stores of imprest-holders and tools and plant with various departments is the same as that for depots.

81. In addition to the verification by the Accounts Department, departmental verification is also carried out by various officials of the Stores Department. Surprise verification is also made.

82. The position in respect of stock verification work on different Railways is as under:—

Southern Railway
South-Eastern Railway
Western Railway
North-Eastern Railway

Current

”

Ex-O. T. Railway

Current with the exception of ‘H’ class (Electrical material) in Gorakhpur Depot which could not be verified on account of shifting of materials from old to new depot. The arrears are 150 man days.

Ex-Assam Railway portion

303 man days in arrears (as on 30-9-1955)

Eastern Railway
Central Railway

Current

”

Northern Railway

140 man days in arrears (as on 1-11-1955)

83. The Committee suggest that the arrears in the North-Eastern and the Northern Railways should be cleared immediately. The Committee observe that the North-Eastern Railway is not only in arrears in respect of posting and reconciliation of price ledgers but also in respect of stock verification. A special investigation appears necessary with a view to ascertaining the circumstances in which the arrears have accumulated and to fix responsibility on the staff concerned.

H. Imprest stores with Running sheds train examining and engineering depots

84. Stores required for each Depot are scrutinised and imprests sanctions are based upon the nature and extent of work done at each place. Spot checks are conducted by the departmental inspectors to ensure that the schedule is revised from time to time in accordance with actual consumption. Internal check is also maintained to delete such of those items from the imprest as are not consumed or expected to be required in future. Annual accounts verification also takes note of consumption as related to imprest sanctions.

I. Inspection of Stores

(i) *Procedure of inspection:*

85. The procedure followed on all the Railways regarding the inspection of stores is as under:—

86. Supplies on delivery to the depot are inspected by the Depot Officers (Gazetted) who carry out the following checks:

(a) Items to drawings are checked with the relative drawings;

- (b) Items to samples are checked with the approved samples;
- (c) Assistance of the Railway Workshops and Laboratories as also the Government Test House is often taken for detailed check of specialised items. Some items are sent to indentors for approval, where considered necessary.

87. The procedure followed on Railways is as under:—

- (i) Detailed quality inspection is generally not carried out by the Railways in respect of I.S.D. items. The following checks are, however, exercised by the Railways:—
 - (a) that the supply is covered by inspection certificate of the I.S.D. in respect of quality;
 - (b) that the seal of the I.S.D. on Inspection certificate and on the stores agree.

88. In certain categories of stores, where difficulties have been experienced in the past with regard to quality or failure in performances tests, the Railways also exercise quality checks by submitting samples for laboratory tests etc.

(ii) *Disputes on inspection:*

89. The Committee understand that disputes have arisen in some cases and there have been delays in the settlement of bills of contractors where the materials, which have been inspected and passed by the Directorate of Inspection of the Directorate General of Supplies and Disposals is not found suitable on further inspection by the Railways. Some typical instances furnished to the Committee are given in Appendix III.

90. The Committee suggest that the reasons for such a large number of defective inspections by the Inspection wing of the Central Purchase Organisation should be discussed at a high level meeting between the Railway Ministry and the Ministry of Works, Housing and Supply and steps taken to avoid similar lapses on the part of the Inspection wing of the Central Purchase Organisation in future.

J. Construction of pucca Depots

91. From the Appendix II it will be seen that there are a number of stores depots which are not properly planned out pucca depots, but only make shift arrangements. The Committee suggest that each Railway should make a proper survey of their permanent requirements of the Stores Depots and take steps to build them at properly selected places, providing for suitable stocking of material, free from chances of wastage, deterioration or pilferage. The Committee attach considerable importance to this suggestion because of the following observations of the Railway Stores Enquiry Committee (1950-51):—

“Ordinary standards of neat house-keeping which would be expected in a normal stores depot are not being observed.”

92. The Committee suggest that the Railways should bear these observations in mind while creating new construction depots for collecting stores during the Second Five Year Plan.

V. STORES BALANCES AND DISPOSAL OF SURPLUS STORES AND SCRAP

A. Stores Balances

93. The balances of stores with the Railways on 31st March, 1955 compare as follows with those for some of the previous years:—

	(In lakhs of rupees)
1938-39	10,08
1945-46	26,96
1950-51	58,19
1951-52	63,39
1952-53	57,17
1953-54	52,38
1954-55	54,94

It will be noticed that the balances of stores of the Railways rose from Rs. 10,08 lakhs during the year 1938-39 to Rs. 63,39 lakhs during 1951-52 in spite of the fact that substantial portions of the late North-West and Bengal-Assam Railways were transferred to Pakistan during 1947-48. A part of the increase from 1950-51 onwards can be attributed to some of the Indian States Railways integrating with the Government Railways from the 1st April, 1950. But even after taking this factor into account as also the element of rise in prices, the balance on the 31st March, 1952, which was more than six times that of the balances on the 31st March, 1939, was very high.

94. As a result of the recommendation of Railway Stores Enquiry Committee, which was set up in 1950-51, drive was instituted in 1951-52 to reduce the stores balances and the surplus stocks lying on the Railways. The Railways were instructed that all items of stocks should be reviewed and items in excess of their requirements for 12 months plus the procurement period, except those required for emergency purposes, should be declared as surplus and lists of all such items circulated to other Railways with a view to utilising these items against their immediate and future requirements.

95. The Railways were also instructed that no fresh orders should be placed by any Railway for the same or similar items till the surplus stock against these items were wiped off. In order to ensure that stores surplus on one Railway were utilised on the other Railways, Regional Organisations were set up in the first instance at Bombay, Calcutta and Madras for stricter security of indents and co-ordinated utilisation of surplus stocks. There is still one at Calcutta.

96. There has been some decrease in the balances on 31st March, 1953 and on 31st March, 1954. The balance has again increased to Rs. 54.94 crores on 31st March, 1955. According to the Railway Board, the chief factors responsible for this increase are: increased stock required to be maintained to meet increased consumption, taking over of workshop stores on the Gondal Region of the Western Railway and more purchase of wooden sleepers by the Northern Group Sleeper Pool.

97. Of the three kinds of stores, the balance of stores for special works went up by nearly two times during 1951-52 as compared with the figures for 1938-39, but the balance of ordinary stores and surplus stores went up by more than 6 times and 9 times respectively. In all these years the purchases or receipts of the ordinary stores were greater than their issues. Similarly, the stores found or declared surplus were greater than their disposal. However, due to the vigorous steps taken by the Railway Board since 1952-53, the issues disposals of stores have been greater than their receipts or purchases since that year.

98. Of the total balance of stores amounting to Rs. 52,38 lakhs on 31st March, 1954, the Eastern and the Central Railways had the largest balances amounting to Rs. 13,22 and Rs. 10,36 lakhs respectively. The balances on the Northern, North-Eastern and Southern Railways amounted to Rs. 727,734 and Rs. 672 lakhs respectively, whereas the lowest balance was on the Western Railway amounting to Rs. 467 lakhs. The Committee suggest that a detailed examination may be made to find out, if the balances on the Eastern and the Central Railways cannot be brought down to the same level as that on the Northern, North-Eastern and Southern Railways, if not as that on the Western Railway.

99. The position in regard to surplus stores on Indian Railways was very unsatisfactory in 1951 and this point was severely criticised by the Shroff Committee (1950-51), who found that the stock of surplus items in several cases was very high. In pursuance of the recommendations of the Shroff Committee, a special drive was instituted to reduce surplus stocks. As a result of this drive, the surplus stocks have been brought down from Rs. 10.19 crores on 31st March, 1951 to Rs. 3.59 crores on 31st March, 1955. The position regarding surplus stock should be kept constantly under watch, specially in view of the fact that the stores balances of Indian Railways are bound to go up considerably during the Second Five Year Plan. The retention of surplus stock of stores means serious loss not only in the shape of money locked up unnecessarily, but also in the shape of deterioration in their condition with the lapse of time. Every endeavour should, therefore, be made to keep the balance of surplus stock to a low figure. Periodical reviews of the stores position in each important Depot and a close degree of co-ordination between the Railways are necessary for this purpose.

100. The Railway Stores Enquiry Committee (1950-51) had recommended that the Stores balances could be brought to a sizeable level, consistent with the provision of adequate supplies to Railways and that, as a first step, the Railway Board should immediately direct all the Railways that before the end of the year 1951, reductions in stores balances should be brought about with the object of attaining an overall reduction of Rs. 10 crores. This target could not be achieved by the Railways immediately, but gradually the stores balances were reduced from Rs. 63.39 crores on 31st March, 1952 to Rs. 52.38 crores on 31st March, 1954, i.e., a reduction of Rs. 11 crores. On 31st March, 1955, however, the balances have increased slightly to Rs. 54.94 crores. In order to avoid the possibility of any of the works being held up during the Second Five Year Plan (as happened during the First Five Year Plan) the Railways will have

to build up reserves of stores required in connection with the heavy programme of works during the Second Plan, and this will inevitably lead to increase in stores balances. All the same, the Committee would like the Railway Ministry to keep a very careful watch over the figures of stores balances, and ensure that the stores balances do not mount up disproportionately. Though the Committee do not want to fix any rigid limit, they are generally in agreement with the following target suggested by the Indian Railway Enquiry Committee (1947): "Normally it should be adequate, if the Railways have in hand at any time not more than nine months' requirements in the case of goods available in the Indian market and not more than 18 months' requirements in the case of stores imported direct."

B. Procedure of declaration of articles as surplus stores

101. A consolidated list is prepared in the Headquarters office of each Railway for all items for which there have been no issues during the past two years at any of the depots and for which there is no likelihood of consumption in the near future. Such items are termed 'surplus' stores.

102. The lists of all surplus items are circulated class-wise and copies are sent to the consuming Departments and to other Railways. Other Railways' stores bulletins are also screened by the surplus section of the Headquarters office with a view to offering suitable substitutes from surplus stock.

103. These lists are reviewed every year and items, which have not been utilised for the past 24 months and which, it is considered, are not likely to be utilised on any Railway within the next two years are put up to the Survey Committee, who inspect these items and give their recommendations for their disposal. These items are disposed of by the Railways, as per recommendations of the Survey Committee.

104. As mentioned earlier, the Railways have succeeded in bringing down the surplus stores, from Rs. 10·19 crores on 31st March, 1951 to Rs. 3·59 crores on 31st March, 1955. The Committee hope that the position would not be allowed to deteriorate during the Second Five Year Plan.

C. Disposal of scrap

105. Unusable scrap on the Railways consists of steel, non-ferrous and miscellaneous scrap. The procedure for their disposal is as follows:—

- (i) *Steel scrap*: Monthly statements of available quantities of melting and re-rollable steel scrap are sent to the Iron and Steel Controller, who controls the allotment and distribution of all steel scrap. Such scrap is issued regularly to the foundries and re-rolling mills nominated by the Iron and Steel Controller on payment.

106. Cast Iron Scrap is not being offered at present to the Iron and Steel Controller, as the Railways require it for their own internal use and for issue to foundries on whom orders are placed for C.I. sleepers.

- (ii) *Non-ferrous scrap*: Most of the non-ferrous scrap is used in Railway foundries or is converted by outside foundries into standard alloy ingots for the Railways' own use. Such low grade non-ferrous scrap as cannot be converted into standard alloys is disposed of through periodical public auction.
- (iii) *Miscellaneous scrap*: This category of scrap includes ferrous scrap, which the Iron and Steel Controller is unable to distribute and other scrap such as timber offcuts, empty drums and tins etc. It is disposed of by the Railways by public auction at intervals depending on the volume of scrap accumulated in a scrap yard.

107. The volume of disposal of scrap material in 1954-55 is as under:—

- (i) *Ferrous scrap (Steel and Iron)*: The various Railways were able to dispose of scarp material weighing 104,768 tons for Rs. 124·8 lakhs during 1954-55, but even after this disposal, a still larger quantity, viz., 1,11,797 tons amounting to about Rs. 135·2 lakhs was lying with them on 31st March, 1956. In other words, material worth over a crore of rupees for which the Railways had apparently no use was unnecessarily lying with them owing to their inability to dispose of the same.
- (ii) *Non-ferrous Scrap*: This scrap is costlier and while 3,735 tons were disposed of for Rs. 63·6 lakhs during 1954-55, nearly double the quantity was lying in stock of the various Railways on 31st March, 1955.
- (iii) *Miscellaneous scrap*: Miscellaneous scrap valuing Rs. 38·6 lakhs was disposed of during the year 1954-55 but the value of this scrap lying with the Railways on the 31st March, 1955 was about Rs. 20·30 lakhs. Of this, the largest quantity valuing about Rs. 13·3 lakhs was with the Eastern Railway.

108. From the above, it will be noticed that scrap material worth over Rs. 220 lakhs was lying with the Railways on 31st March, 1955. If the Railways had taken serious steps in the matter, a substantial portion of this locked-up money, would have been realised by them and become available for other urgent and useful purposes. The Committee suggest that the reasons for such heavy accumulation of scrap material should be properly investigated and suitable steps taken (i) to arrange for its expeditious disposal and (ii) to ensure that such heavy accumulations do not occur in future.

109. The Committee understand that scrap material is auctioned once a year usually. Railways have to ensure that the stores are non-ferrous before the sale is effected, as ferrous scrap is to be disposed of according to the orders of the Iron and Steel Controller. The Committee recommend that a definite procedure should be fixed for facilitating the speedy disposal of scrap material. Storage of scrap for long periods would result in loss of material either on account of pilferage or incorrect accountal in the store books. The price fetched might also be lower. The Committee understand that

the matter is under correspondence between the Iron and Steel Controller and the Railway Board. The Committee suggest that this point should be discussed in a meeting and a firm decision arrived at not only on the method of and arrangements for disposal, but also the fixation of reasonable price so that small merchants may find it worthwhile to collect the ferrous scrap quickly. As regards non-ferrous scrap, the Railways themselves should take more energetic steps for disposal. Auctions should also be held at more frequent intervals, sub-committees of the Consultative Committees being associated with the auctions. In addition to circulation of the list of surplus stores amongst the various Railways, the Committee consider that it would be desirable to circulate the list of each stores amongst other departments of the Government of India, as also the State Governments, quasi-public bodies and associations of trade and industry, so that maximum utilisation of scrap material is made within the minimum possible time.

VI. PRINTING

A. Introduction

110. Railways have the following Printing Presses:—

<i>Railway</i>	<i>No. of presses</i>	<i>Location</i>
Northern	1	Shakurbasti.
Western	2	Ajmer and Mahalaxmi.
Central	2	Byculla and Secunderabad.
Eastern	2	Calcutta and Howrah.
South-Eastern	1	Garden Reach.
Southern	3	Mysore, Trichinopoly and Rayapuram.
North-Eastern	2	Gorakhpur and Kurseong.

111. The number of staff employed in and the expenditure incurred on running the Railway Presses is given in Appendix IV. Number of tickets manufactured and printed, number of forms and the number of volumes printed in the Railway presses are shown in Appendix V. Number of time-tables printed, the number sold, realisation from advertisement and sale of copies to public and number sold as scrap is given in Appendix VI.

B. Hours of work

112. While the average hours of work per week are 44 on the Western, the Central (Byculla Press), the Eastern, the Southern, and the North-Eastern Railways, they are 41 on the Northern, 40 on the South-Eastern and 42 on the Central (Secunderabad Press) Railways. There should be little or no variation on Railways in the number of weekly hours. The Committee suggest that the reasons for the variation should be examined by the Railway Ministry and a standard fixed which would apply to all the Railways.

C. Printing of Zonal Time-Tables

113. It will be seen from Appendix VI that the Northern and the Western Railways are printing far more copies of their time-tables than are actually needed. In the Central Railway, the number sold as scrap has been increasing steadily. Similarly, in the Southern Railway, the number sold as scrap in 1954-55 is almost double the corresponding number in 1953-54. Out of 42,000 copies printed extra in 1954-55, as many as 10,044 had to be sold as scrap. In the Northern Railway, in 1953-54 a needlessly larger number than in 1952-53 was printed, over 35 per cent. of which had to be scrapped. In the Western Railway, the position was far worse in 1953-54; all the 35,000 copies that were printed in excess over those of 1952-53 had to be sold as scrap. The financial loss on this account would be of the order of Rs. 50,000 per annum. The Committee suggest that the reasons for the needless printing of a larger number of copies involving waste of money and energy both of machines and the men that operated them should be carefully examined by the Railway Ministry. Steps should be taken to avoid such losses in future.

D. Downward trend in the realisation of advertisement revenues

114. It is also interesting to observe that even though the number of copies printed in 1954-55 is greater than in 1953-54 in the Northern, the Central, the Southern and the North-Eastern Railways, there has actually been a fall in the income from advertisements in the time-tables. The Committee were informed that the main reasons for the general downward trend in the realisation of amount through advertisements in time-tables was an increase in the number of government periodicals in which the parties published their advertisements. Advertisers also apparently desired that their advertisements should cover specific pages. For instance, a person advertising from Agra liked to have his advertisement on the page where timings of trains from and to Agra were shown. Another reason was that the advertisers wanted sheet or strip advertisements in the time-tables rather than at the end. The Railways did not encourage advertisements being published on pages interspersed with the reading matter because it would be rather confusing to the reader. It would also make the time-table too bulky. The Committee also gathered that, in addition to these limiting factors, there had not been a greater drive to get the volume of advertisement than the Railways could probably secure.

115. While the Committee do appreciate that the time-tables should not be made confusing to read or bulky to handle or merely as a source of revenue to the Railways, they recommend that the time-tables should be printed and sold on a 'No Profit, No Loss Basis'. The cheaper the time-table for sale to the travelling public the greater will be the number of copies sold. A slight reduction in cost may possibly reduce the number of unsold copies which are to be scrapped which is at present above 20% per annum. Revenue from advertisements should be a balancing factor and steps should be taken to augment this revenue.

E. Number of machines

116. The following table shows the number of the installed machines in each of the Railways:—

<i>Railway</i>	<i>Number of installed machines (as in December 1955)</i>
Central	113
Eastern	212
South-Eastern	10
North-Eastern	24
Western	41
Southern	60
Northern	54
TOTAL	514

117. All the installed machines are in working order and in use, excepting for short periods when some machines may be out of order; in such cases they are attended to immediately. The number of machines installed on the Southern, the Western, the North-Eastern and the Northern Railways is so small that they cannot possibly cope with their respective printing work to a reasonable extent. Dependence of the Railways on private presses can very well be appreciated from the following figures for 1954-55:—

(*Figures in lakhs of rupees*)

<i>Railway</i>	<i>Cost of running the presses</i>	<i>Value of work executed from others Central Govt. Presses</i>	<i>Value of work executed in private presses</i>
Central	13.54	..	.55
Eastern }	21.34	..	.76
Southern-Eastern			
North-Eastern	8.36	.14	3.12
Western95	..	13.03
Southern	7.62	..	19.01
Northern	1.56	.46	11.19
Railway Board	1.44	..
TOTAL	53.37	2.04	47.66

118. In 1952, the Central Railway Printing Press Bombay, was inspected by the Technical Adviser of the Controller of Printing & Stationery, India. He noticed that the layout of the press bore the marks of gradual expansion and improvisation. The building also suffered from serious flooding during the monsoon period. The Technical Adviser made a number of recommendations which were circulated to all the Railways. A similar review was made by departmental officers on all the Railways and their reports also indicated that there was urgent need of expanding the printing press facilities on all the Railways.

119. The Committee understand that with a view to attaining self-sufficiency, suitable steps are being taken by the Railways for the replacement of old and obsolete machines by new and improved types of machines. Additional machines and buildings are also being arranged where considered necessary. As the yearly bill for executing their work from private Presses and other Government Presses is almost equal to the cost of work executed within their own Presses, the Railway Ministry should lose no time in reviewing the whole position and take all possible steps to attain self-sufficiency within the minimum possible time.

120. In this connection the Committee understand that although no specific sum had been earmarked for the expansion of Railway Printing Presses during the Second Five Year Plan, the Railways were making a provision of Rs. 1 crore under the Plan and Machinery Programme to attain self-sufficiency.

F. Rate for Printing Jobs

121. The Committee understand that printing jobs were given to outside presses usually on the basis of tenders. But the Railways have not compared the rates quoted by the Central Government presses with those of the private presses. The Committee were assured that, by and large, the rates charged by private presses were not higher than what the cost might have been had the jobs been executed departmentally. All the same, the Committee suggest that the rates charged by the private presses for jobs undertaken by them for the various Railways should be compared with the figures of cost of similar jobs executed departmentally in Railway presses and also the corresponding rates in other Central Government presses for the financial years 1953-54 and 1954-55. Thereafter, the Railway Board should standardise the rates for printing after consulting the All-India Printers' Conference and Exhibition, if necessary.

G. Time-Tables

(a) Printing of All-India Time-Table:

122. The All-India Railway time-table is compiled and published by the Railway Board and the Indian Railway Conference Association arranges supply of copies to the Railways in accordance with the requirements furnished by them for sale to the public at the Railway book-stalls and booking offices. All Railway Administrations have instructions to obtain an adequate number of copies of the All-India Railway Time-Table for sale to the public through their

Book-stall agents and booking offices at important stations. The Indian Railway Conference Association also has instructions to print and maintain an adequate stock of the All-India Railway Time-Tables to meet the demand of the Railways.

123. The number of English and Hindi copies printed for sale during the last 3 years is given below:—

Year	Total number of Time-Tables printed		
	English	Hindi Vol. I	Hindi Vol. II
April, 1953	2,555		
October, 1953	2,943		
April, 1954	3,058		
October, 1954	3,238	2,067	2,050
April, 1955	4,513	2,035	2,060
October, 1955	6,090	1,670	1,854

124. Hindi time-table Vol. I contains information pertaining to Northern, Eastern and North-Eastern Railways and Vol. II of Central, Western, South-Eastern and Southern Railways. While the number of copies printed in English has been registering a steady increase, the number of copies printed in Hindi has been declining. This needs looking into.

While on the subject, the Committee suggest that the time-tables should be made available at all stations where the mail and express trains stop and at all junction stations. If there are no book-stalls at any of these stations, the time-tables should be made available at the booking offices and suitable notice boards should be put up: "Time-tables are available for sale here."

125. During the course of their tours over the Railways, the Sub-Committees found that while the zonal time-tables were not available at several book-stalls, the existence of the All-India Time-Table was conspicuous by its absence every where. In fact at a certain place, the Station Superintendent and a Divisional Officer informed a Sub-Committee that the All-India Time-Table was not meant for sale to the public. The Bradshaw published and sold by the firm of Messrs. W. Newman & Co. Ltd., at Rs. 2/8/- per copy was to be found at most of the Railway Book-stalls but the official publication of the Railway Board priced at Rs. 2/- per copy was not available to the public. The Committee suggest that the All-India Time-Table should be given the widest publicity and steps taken to push its sales. Proper measures should be taken to ensure that the same is available for sale at all the book-stalls at Railway stations.

(b) *Sale of Newman's Bradshaw:*

126. The Bradshaw is the publication of a private firm, Messrs. W. Newman & Co. Ltd., Calcutta. The Committee understand that no concession or financial help is given to the firm but the Railway Board purchases about a dozen copies of the monthly Bradshaw. The firm used to print the caption "Under the Patronage of the Government of India" but its discontinuance was ordered by the Railway Board in 1948.

127. The Railways have, however, been asked to give to the firm early or advance information regarding train timings etc. together with all alterations thereto for the compilation of the Bradshaw. The Committee also understand that in furnishing advance information to the firm the Railways do not accept any responsibility for the correctness of the same, and the Railways are under no obligation to supply this information either. There is no contractual arrangement between the Railway Board and the firm for the latter turning out the Bradshaw, and, therefore, no question of charging a royalty has been so far considered or examined because the firm could get the information from the Railway time-tables. The Committee wish to state that in case the Railways do not give advance information, the firm could get it only after the Railway time-tables are out. At present, the firm has an advantage in gathering advance information without making any payment for it. The Committee recommend that either a suitable charge should be levied for supplying the requisite information or the supply of advance information should be discontinued forthwith. Moreover, if some arrangement is arrived at with this or some other firm to publish the time-table, there would not be sufficient justification to continue the departmental publication of the All-India Time-Table.

VII. MISCELLANEOUS

A. Supply of lighting equipment to the Railways

128. The Committee understand that a certain foreign firm had been supplying lighting equipment to the Railways, which had been given licence upto the end of 1963 for manufacture in India of train lighting dynamos. The Committee gather that though the Railways have some general specifications, they do not have the detailed drawings, as they are the patent rights of the manufacturer. The Committee understand that there are several Continental and American manufacturers as also manufacturers in China and Russia, who produce such equipment. The Committee consider that information on the specifications of each and every type of equipment in use all over the Railways in India should be in the possession of the Central Standards Office (Railway Board). Alternative sources should be tried to get the specifications, if a particular firm is not agreeable to divulge the same. Further, the Railway Ministry should also consider the desirability of placing their orders for such equipment with different firms from different countries as a measure of encouraging competition.

B. Requirements of cement in the Second Five Year Plan

129. The annual demands made by the Railways during the past four years as against the allotted quantity in these years are shown in the table below:

<i>Year</i>	<i>Demand in tons</i>	<i>Allotted quantity</i>	<i>Percentage of allotment to demand</i>
1952	2,03,048	1,83,000	90%
1953	2,36,061	1,94,570	83%
1954	3,34,078	2,30,970	69%
1955	3,40,813	2,50,530	74%

The demand for the first quarter of 1956 is 1,26,000 tons. It is expected that the requirement of the Railways for 1956-57, the first year of the Second Five Year Plan period, will be about 4,50,000 tons and in the subsequent years, the demand is likely to rise to 5,50,000 tons per annum.

130. Various means have been resorted to for reducing the demand for cement and also for increasing supplies. Among these may be mentioned:

- (i) More intensive use of lime mortar;
- (ii) Non-use of cement for works, where its use is not essential;
- (iii) Purchasing additional cement from the open market at controlled rates instead of at I.S.D. Contract rate and also getting cement from distant factories; and
- (iv) Ensuring that factories supplying cement utilise wagons supplied to them for despatch of a proportionate number to railway indentors.

131. The Committee understand that the Railways have been advised that a certain quantity of imported cement could be made available at an approximate cost of Rs. 145/- per ton which is twice the normal rate. In view of the urgency of the demand, the Railways have agreed to take about 20,000 tons of cement at the enhanced price. The Committee also understand that the Railways have been trying to get the price equalised as in the case of steel. The Committee recommend that their view point deserves special consideration as all the extra cost should not be placed entirely upon the Railways. The Committee consider it rather disquieting that cement should be imported from abroad. Probably, the Railway transport system stands in the way of issuing fresh licences to prospective producers of cement even though there is plenty of raw material available. Lest the import of cement should become a recurring feature, the Committee recommend that the requirements of the Railways for cement should be met first so as to enable them to step up their capacity to carry the raw materials required for the manufacture of cement within the country. Otherwise, it will be creating a vicious circle, the country not being in a position to have more cement factories just because the Railways are not in a position to carry the raw materials and the Railways not being in a position to carry the traffic offered just because cement is not supplied to them in adequate quantities so as to enable them to complete their works expeditiously.

C. Needs of stores during the Second Five Year Plan

132. In para 21 of their Eighteenth Report, the Committee expressed satisfaction about the proposals of the Railways to establish construction depots for stocking materials required for works connected with the Plan in advance.

133. The Committee understand that during the Second Five Year Plan, the Railways will require:—

- (a) to expand/remodel existing Stores Depots in order to meet the increased maintenance and repair requirements;

- (b) to establish construction depots for stocking materials required for works connected with the Plan.

134. Construction Works on most of the Railways will be of a volume, which will necessitate the setting up of Construction Depots and the Railways have been asked to work out the locations and size of these Depots in conformity with the works envisaged on each Railway during the Plan period. Railways have also been advised that wherever possible fabrication shops for bridge work and points and crossings should also be located alongside these Construction Depots.

135. An examination of the probable size of these Depots as well as particulars of the Plant and Machinery and the building materials to be stocked in these Depots together with the cost of land, structural and permanent way requirements for working these depots is being made by the individual Railways and detailed plans are expected in due course. Meanwhile adequate provision has been made in the Plan Estimates for Construction Depots (the cost of the land, structure and Permanent Way Works as well as Plant and Machinery required in connection therewith) as well as expenditure in connection with expansion/remodelling of existing Depots to cater for the increased maintenance needs of the Railways as envisaged during the Plan period.

136. With a view to ensure that supplies, particularly of steel, permanent way fittings, cement and other general purpose stores are available so that works can be progressed without any set-backs, provision has been made for an additional stores balance of nearly Rs. 73 crores. This is made up as follows:—

<i>Item</i>	<i>Amount in crores of rupees</i>
1. Stores Suspenses for setting up of the Construction Depots for uses of Rs. 80 crores of Stores per year	40
2. Stores Suspense for setting up of buffer stock of steel for wagon manufacturers	2.5
3. Stores Suspenses for creating special buffer or reserve stock for Interlocking and signalling material and equipment.	5.5
4. Stores Suspense required to meet anticipated increase in the existing stores balance on the Railways during the Second Five Year Plan for maintenance work	25

The value of 40 crores against item (1) above is based on an expectation that the Construction Depots will hold about six months stock of material to ensure regular and speedy progress of works. With the provision that has been made in connection with the stockpiling of stores, the Railway Board hope that the works in the Second Five Year Plan will not be held up for want of stores or material supply service.

D. Delays in payment

137 The procedure in vogue on Railways for the payment of purchases made by them is as under:—

Advance payments generally to the extent of 90 per cent are made by the Railways only for certain categories of stores, such as steel, timber, wooden sleepers and a few other items ordered on firms of repute. In such cases, payment is made on proof of despatch. The bill for advance payment supported by the Railway Receipt in proof of despatch is submitted by the firm to the Office of the Financial Adviser and Chief Accounts Officer direct for payment. Final payment is made only after the material is inspected by the consignee in respect of quantity and quality and a receipt note is granted in token of the acceptance. On the authority of the receipt note so granted by the consignee, payment is arranged by the Chief Accounts Officer on the bill preferred by the supplier supported by a copy of the receipt note.

138. The Committee understand that a period of 4 to 6 weeks elapses between the date of receipt of material and the date of payment.

139. The Committee also understand that in order to expedite payment for stores, the Railways were instructed in November, 1951 that in respect of local supplies, the present arrangement of making 100% payments after the inspection of the materials might be modified, if desired by the supplying firm, to permit of 90% 'on account' payment being made on production of a *kutchra* receipt from the authority receiving the supplies and the balance of 10% after final inspection. It was pointed out by the Railways that they had no arrangements to inspect the supplies during the course of manufacture or at the firm's premises. The inspection carried out by Railways is only at the receiving depots. If, therefore, a *kutchra* receipt is given on receipt of stores without any check on quality, it may lead to unauthorised payments and in the event of deficiencies being detected later, it may be difficult to have the loss made good. Careful watch will also have to be maintained to ensure that only 10% payment is made finally, entailing increase in work all round.

140. In view of these difficulties the Committee understand that the suggested procedure was dropped and the Railways were instructed to ensure that there should be no undue delay in payment to suppliers.

141. The Committee consider that delays in payment often deter the suppliers from coming forward to supply articles to Government and even when they do come forward, they charge very high prices. The Committee are glad to observe that the Ministry of Works, Housing and Supply have accepted the recommendation of the Stores Purchase Committee that the payment of final bills of the suppliers should be ensured within 90 days from the date of despatch of stores. Orders are reported to have been issued for payment against Indemnity Bond, if the consignee fails to send a report within 75 days of despatch of stores, and no explanation is forthcoming even after reporting the matter to the higher authorities of the consignee. The Committee recommend that the maximum time limit should be fixed even in the Railways in respect of payments relating to the purchases made departmentally by them. Prompt payment of the bills will create confidence in the minds of the suppliers and will enable them to quote reduced rates as the rates quoted by them will obviously have taken into account the interest they have to pay to their banks and other financiers. The Railway Board should also call for a half-yearly statement from individual Railways showing the cases of supplies for which payments have not been made for over 3 months together with the reasons thereof, with a view to analysing the causes and taking remedial steps for the delay in payment.

142. The Railway Corruption Enquiry Committee had made the following observations regarding the delays in payment of bills to contractors:

“On one Railway, the position regarding the delays in payments of bills had become so chronic that the administration was flooded with complaints. A joint circular was therefore issued on 1st July, 1954, laying down that the Accounts Officers should point out to bill-submitting Officers every case in which bills of contractors or firms or municipalities etc. for work done or supplies made are detained in the bill-submitting offices for over a week. It was also laid down that the Financial Adviser and Chief Accounts Officer will submit a monthly statement of delayed submission of bills. We scrutinised those statements for the months of July to December, 1954 and found that there were a number of cases of delay in submission of bills ranging from seven days to seventeen months”.

The Committee suggest that the procedure described above should be introduced on all Indian Railways. In respect of bills which had not been submitted for more than a month, explanations should be called for in every case of delay from the officials at fault and suitable disciplinary action taken against them.

E. Dual Control over stores

143. There is at present dual control by the Chief Engineer and Controller of Stores over "Track" stores, and sleepers. In some Railways, the Track Supply Officer and Sleeper Controller are under the Controller of Stores and on other Railways, they are under the Chief Engineer. The Committee understand that the matter was discussed recently in a conference of Chief Engineers and Controllers of Stores of the Railways and although it was felt that uniformity was desirable, the matter was left to the individual Railways for such adjustments as might be considered necessary by mutual agreement between the Chief Engineer and the Controller of Stores. While the Committee are assured that there is nothing against this dual control, and that the Controller of Stores should exercise full control on procurement and supply of these items with the technical guidance of the Chief Engineer as in the case of stores of the Mechanical Department, the Committee are not happy over the existing arrangements. In the interests of efficiency, the Committee consider it desirable that there should be uniformity of procedure on all the Railways, whatever might have been the position in the past, when the Railways were under different managements.

F. Deputation of Railway Officers to the Central Purchase Organisation

144. One of the recommendations of the Stores Purchase Committee, which has been implemented by the Government to a great extent and which, the Committee understand, will soon be implemented in full, was that it was very necessary that the D.G.S. & D. should pick out experienced and suitable Officers from indenting Ministries so that the problem of supply could be satisfactorily solved. The Committee note with satisfaction that a few Railway Officers have already been posted to the D.G.S. & D. While on the subject, the Committee suggest that the feasibility of obtaining some competent men on loan from the State Governments and also from the All India Khadi and Village Industries Board be examined by the works, Housing and Supply Ministry as also the Railway Ministry. In fact, the possibility of obtaining men experienced in stores purchase from leading manufacturing establishments and other nationalised undertakings like Hindustan Cables Ltd., Hindustan Shipyard etc. for short periods, may be considered with advantage. Likewise, stores officers of the Railways might be deputed to serve in the important manufacturing and commercial establishments for short periods. Such interchange of personnel will bring the Railways and the leading manufacturers in close contact with one another and enable each to appreciate the needs and difficulties of the other.

G. Improvement in and simplification of procedure

145. The procedure to be followed by the Stores Department of Indian Railways is prescribed in the State Railway Code for the Stores Department. This Code consists of 34 different chapters with

a total of 3,416 paras and gives the detailed procedure for different aspects of work of the Stores Department, such as purchases made by the Railway administrations direct, through the D.G.S. & D, D.G.I.S.D., London, and other agencies and their accountal, receipt and issue to the various depots, check and payment of stores bills, stock verification of stores etc. etc.

146. The Railway Stores Enquiry Committee (1950-51) made the following important recommendations:—

“18. The existing classification of stores should be simplified into two main categories—‘Ordinary stores’ intended for revenue purposes and ‘Special stores’ for works in order to *ensure better control over stocks*.”

“19. Arrangement should be made for simplifying the Stores Code by laying down broad principles permitting flexibility for local variations and for standardising statistics and other stores records”.

147. The Committee understand that it has not been possible to complete the action on these recommendations due to the regrouping of Railways and adjustments that were necessary to co-ordinate the stores procedure in vogue on the various Railways and reorganisational work in the stores department of the Railways. There was also a very heavy pressure of procurement work in the Railway Equipment Directorate to meet the immediate needs of the Railways for important items *viz.* rolling stock against both replacement and additional demands by tapping the indigenous sources to the maximum and purchasing balance from abroad. The work relating to the two recommendations Nos. 18 and 19 is expected to be completed within a year and additional staff will shortly be in position to expedite action. The Committee do realise that revision of the Stores Code is a heavy and difficult task, but they do not see sufficient justification for the abnormal delay in the implementation of the recommendations made by the Railway Stores Enquiry Committee (1950-51). A target date should now be fixed for completing the task. In order to expedite the work, each Zonal Controller of Stores may be asked to prepare a few draft chapters on selected items and the work can be co-ordinated, supplemented and finalised in the Office of the Railway Board. While revising the Stores Code, not only the experience gained by the Railways in the working of safeguards and security precautions in existence all along, but also the various recommendations made by the Stores Purchase Committee and the Railway Equipment Committee should also be kept in view.

H. Quality of stationery supplied to Railway staff

148. It was observed by one of the sub-Committees of the Estimates Committee that the stationery supplied to the Railway staff is of very much inferior quality. The matter may be looked into and remedial action taken. The Committee suggest that the use of hand-made stationery should be introduced on Indian Railways.

I. Foundry capacity of Railways

149. The Railway-wise foundry capacity, cast-iron and non-ferrous, is given below:

Railways	Ferrous (C.I.)	Non-Ferrous
Eastern	1322 tons monthly	277 tons monthly
Southern	676 „	200 „
Western	352 „	97 „
North-Eastern	87 „	30 „
South-Eastern	220 „	80 „
Central	385 „	115 „
Northern.	217 „	110 „
Chittaranjan Locomotive Works.	400 „	60 „
TOTAL	3659	969

150. The Committee suggest that this capacity should be gradually developed on all Indian Railways on a reasonably uniform basis.

New Delhi;
The 20th April, 1956

BALVANTRAY G. MEHTA,
Chairman,
Estimates Committee.

APPENDIX

Difficulties experienced in arranging local purchase of Stores

Note : The views expressed by the Railways in respect of difficulties experienced in local purchases are generally of the following nature. Railway Board's comments are indicated against each.

Name of the Railway.	Railway's comments	Railway Board's comments
(i) Western, South-Eastern Southern and Eastern.	Items which are in short supply, as for example steel-castings, malleable iron castings, and imported stores which are licensed items, are difficult to obtain.	The position will improve only when indigenous capacity in respect of plant and basic materials is adequately developed, which is expected to be achieved at the end of the Second Plan Period.
(ii) South - Eastern, Southern and Eastern.	Non-ferrous metals—The market of this particular item of stores is extremely sensitive and it is usually found that erratic changes in price take place between the time the tenders are received and orders are placed. The firms in consequence take advantage of the fluctuation and submit conditional offers either by quoting higher rates or fuse to supply at all.	The prices of non-ferrous metals are subject to sudden and frequent changes. The quotations, therefore, need to be accepted as expeditiously as possible to reduce the time lag between opening of tenders and their acceptance.
(iii) Eastern and South-Eastern.	Due to the frequent changes in the price of steel, the tenders for fabricated items have to be cancelled and fresh tenders have to be invited, thus creating unavoidable delay in supply.	Freezing of prices of steel is not possible at this stage.
(iv) Eastern and South-Eastern.	The divergent interpretation of the rules in the matter of sales tax in inter-state transactions is a serious deterrent for the supplier to come into the field. A concrete example is, however, cited. On the Eastern Railway a part of the materials are brought in the Calcutta market and forwarded to the ultimate consumer, say, Bihar. According to the Central Government rules, sales-tax is not leviable as this is an inter-state transaction. West Bengal Government, however, is regularly collecting the sales-tax from the suppliers while the Railway is refusing to reimburse them according to the directives	The Railway has been advised to make the payment of sales-tax in the case of inter-state transactions to the suppliers of stores under protest as an interim measure. The final policy is, however, under formulation in consultation with the Attorney General and Ministry of Law.

Name of the Railway	Railway's comments	Railway Board's comments
	<p>given by the Central Government. Due to this difference in opinion between the Central and the State Governments, the suppliers are incurring financial liabilities and some of them have of late refused to supply materials unless the Railway promises to pay the sales-tax in advance.</p>	
(v) North - Eastern, Northern and Southern.	<p>Transport difficulties for such Railways which are situated far from the industrial town.</p>	<p>The transport difficulties will lessen with the implementation of Railway's Second Five Year Plan.</p>
(vi) Eastern, Northern & Southern.	<p>Inadequate installed capacity of indigenous trades in the matter of steel and P. W. materials.</p>	<p>Same as far (i) above.</p>
(vii) Western and Central.	<p>Financial purchase powers in respect of DGS&D items, including rate/running contract items, are deemed to be inadequate.</p>	<p>As a result of recent recommendation of the Stores Purchase Committee, the Railways have been authorized to make direct purchase upto the value of Rs. 10,000 in each case. This delegation of powers is likely to improve matters.</p>
(viii) South-Eastern.	<p>Strict compliance with para 448-S which compels the firms to make security deposits, acts as a vital factor in non-submission of tenders by the suppliers.</p>	<p>The point was discussed in the Controllers of Stores meeting held in November, 1955. The consensus of opinion was that a standing deposit to the extent of Rs. 500/- to 1,000 is advisable in order to keep control over timely supplies and generally to screen out petty or uninterested suppliers. This point is being further examined by the Board.</p>

APPENDIX II

Statement showing the No. of Depots and Wards and the volume of transactions handled in 1954-55.

Railway	No. of Depots			No. of Wards	Volume of stores handled during 1954-55 (Total issues) (Figures in crores of rupees).	No. of transactions during 1954-55			Whether Pucca or Make shift arrangement.
	Main Depots	Sub-Depots	Total			Receipts	Issues	Total	
1. Western	9	5	14	47	22.00	1,04,886	11,94,898	12,99,784	Pucca
2. Central	8	5	13	17	16.13	1,54,493	19,15,405	20,69,898	"
3. Southern	6	11	17	86	11.8	2,67,446	20,26,200	22,93,646	"
4. North-Eastern	5	5	10	82	7.4	1,32,000	4,94,800	6,26,800	6 Pucca and 4 Make shift.
5. Eastern	5	..	5	48	14.2	1,32,949	5,46,164	6,79,113	All Pucca
6. South Eastern	3	..	3	48	7.73	51,773	2,99,649	3,51,422	"
7. Northern	5	5	10	35	15.5	3,51,183	13,75,611	17,26,794	7 Pucca and 3 Make shift.
8. Chittaranjan Locomotive Works.	1	..	1	19	11.44	59,600	1,86,672	2,46,272	Pucca
TOTAL	42	31	73	382	106.20	12,54,330	80,39,399	92,93,729	

APPENDIX III

*Typical Instances of Failures Where Materials Were Passed by the Inspection Wing of the
DGS&D*

South Eastern Railway

DGS&D A/T & date	Director of Inspn., Calcutta I/Note No.	Description of Stores.
1. SW3/19524-E/Ai/2792 of 27-12-54	OTN/K/AT/163(9) of 30-3-55.	800 Nos. firebricks for IRS bricks Arch. W.P. Class engines part no. S/145 of CSL drg. 234 (Alt No. 2) & IS Specn. No. 6753.
2. A/T No. SGI/22022-D/ B/3855 of 20-6-53. COS-KDC indent No. SP/C/Gb5/BN/I/53-54 of 12-1-53.	750 glns. paint ruby mixed light purple brown supplied by Godwana Paint and Mineral Ltd., Nagpur and Director of Inspection, Bombay I/Note 128976/715 CS/I-final dt. 14-11-53.	
3. COS-KDC order No. SMT.957-T-GbiO/NT of 16-5-51. DGS&D R/Contract No. SD2/RC-3269/4/50-51/ 442 of 25-9-50.	3698 glns. of axle oil heavy by M/s Victor Oil Co Ltd., Calcutta R/R No. 18899 of 28-1-52.	

NOTE—Failed in test as per CME/KGP No. CMT/1001/6/10415 dt. 12-3-52 and the Director Test House, Alipore No. O/SD/530-531 dt 26-4-52 to the DOI, Calcutta.

North-Eastern Railway.

- (i) 160 tons phosper Bronze Class I IRSS N-6-49 supplied by M/s Bombay Metal Refinery Bombay against Indent No. OTR/GB4/Adhoc/1/49 dated 5-8-49 and A/T Nos. SN-1/113998/271-11-49/603 dt. 21/22/9/49 and SN-1/113998/271-11-49/726 dated 21-1-50 was accepted as inspected and passed by the ISD Inspectorates. But subsequently it was found by our Mech. Deptt. that the ingots did not conform to the Specification. Samples were drawn and tested first in the E.I.R. Laboratory at LKO and later at Alipore Test House Calcutta and in both tests the samples did not come upto the required specification.

Finally the defective supply was taken by the D.G.S.&D. from this Railway. This was eventually got reconditioned through M/s. Bengal Ingot Co. Calcutta into Lead Bronze IRSS N-6-49 class III for supply to the ex BB & CI Rly.

- (ii) Against our Indent No. OTR/Eb2/2050 Ad-Hoc dated 6-5-50, A.T. No. ST-1/15809/A/460 dt. 13-8-51 was placed on M/s Beshasurnath Moolchand, Kanpur for 26,800 Window Shutters 2'-2 ½" × 1'-8 ½" @ Rs. 4/6/3 each delivery by 31-10-51. These were inspected by the Director of Inspection on the Firm's premises at Kanpur. The firm on the supply being passed by the Director of Inspection despatched shutters by instalments and these shutters were finally inspected on arrival here, and from the quantity supplied viz., 3990 a total of 658 Nos. were rejected here and the firm instructed to remove them but the firm objected to this final rejection at destination and the case went to Arbitration—the Arbitrator deciding that 43 Nos. should be accepted and 615 rejected and orders were issued by the Supply Department to the contractor to remove the rejected supply.

The contractor did not remove but offered the same at a reduced rate of Rs. 4 each. These were eventually taken over, in consultation with the Mechanical Branch and with the approval of G.M. at a reduction of 15 per cent.

- (iii) There has been yet another case in which a considerable number of shutters out of a supply inspected and passed by Director of Inspection, Bombay had been found defective by this Administration and eventually rejected. The rejection has been challenged by the Suppliers in the Court of Law and the case is still *sub judice*. Particulars of the case, indent, reference etc. are not available at the moment as the original file is with the defence counsel at Bombay.

Eastern Railway.

A/T No. SC1/24073/E/IV/4177 dt. 8-2-55 was placed by the D.G.S.&D. on M/s. Kela Co. for supply of Liquid Soap. The material was inspected by the I.S.D. and supplied to D.C.O.S. Howrah. On being tried it was found that it left white stains after washing of the coaches. The material has been rejected, DGS&D has been advised and payment to the firm has not been made.

Western Railway

Sl. No.	Short Description	A.T.No. or Order No. of R/ Contract	Date of Receipt of Supply	Remarks
1.	Hammers Keys C. Steel.	Cal/M-111/3/17393/E /592 dt. 16-11-54.	2-6-55	These were inspected and passed by D.O.I. Calcutta.
		Cal/M/111/3/17360/E /593 dt. 16-11-54.	16-6-55	On receipt, they were tested by C & M-Ajmer who reported that the supplies do not conform to the specn. to which they were ordered. The supplies were

Sl. No.	Short Description	A.T.No. or Order No. of R Contract	Date of Receipt of Supply	Remarks
				consequently rejected. The D. O. I. has now sent a representative sample of the rejected material to the Alipore Test House for test. Payment to the firm has therefore been delayed.
2.	Brushes Varnish	SM2/24089-D/A/II/ 3102 dt. 9-3-54.	11-10-54 for 800 Nos. and 11-11-54 for 400 Nos.	Supply has been rejected as it was not in accordance with the approved sample.
3.	Brushes hand for washing Rly. carriages.	SM2/24111-D/II/3043 dt. 1-8-54.	31-8-55	Different type of brushes was supplied than what was actually required. The supply was hence rejected. After protracted correspondence as the brushes supplied were also being stocked by the Railway, they have been accepted as a special case.
4.	Cash Box	BOM/ T.2/4457-D/ 1201 dt. 24-11-53.	15-4-54	The workmanship in this case was very inferior. The supply was accepted after rectification 15-7-54.
5.	Water Tank	Cal/E1(1)16788-E/ 285 dt. 8-7-54.	23-9-54	These tanks were not in accordance with the IRS Drg. and therefore the supply has not been accepted.
6.	Wire Brass annealed 5/8"	SNI/16240-D/21/III- 53(1) 2752 of 23-5-53.	3-9-53	Copper content was only 51.97% against 64% minimum required in the special cation. Supply was consequently not accepted.
7.	Steel Tool High speed 2 1/4 x 5/16"	BOM/H2/45786E/218/ dt. 24-12-54.	27-1-55	Supply was badly forged with visible surface lamination and pittings which could not be conducive to heat treatment. Supply was replaced.

Sl. No.	Short Description	A.T. No. or Order No. of R/Contract	Date of Receipt of Supply	Remarks
8.	Armature Complete.	SE1/112623/111A/ 1984 dt. 14-7-50.	13-10-52	The spider was longer by 1/8". The winding was also projecting out of the spider collar and winding work was not quite upto the mark. These defects were rectified and supply was accepted after it was rectified.

Southern Railway

Date of Receipt	COS, PER indent No. and date	Name of the Supplying firm	Short description of the material	Quantity	Reasons for rejection	Final disposal of the supply
1	2	3	4	5	6	7
9-11-54	S/PWP/4/HB/993/ DGSD of 22-1-53.	The India Elec. Works, Calcutta.	Auto cut-in and cut-out switch 100 amps.	23	Passed by the Director of Inspection, Calcutta. Rejected for not providing: (1) Silver Contacts. (2) Sufficiently flexible connector as per J. Stones make. (3) Defect in cable entry holes.	Returned to the firm on 9-8-55 for necessary rectification and return.
22-8-52	S/GOC/4/HB/841/ DGSD/53-54 of 15-11-52.	M/s Acme Mfg. Co., Bombay.	Bases for plug socket connection.	70	Passed by the Director of Inspection, Bombay. Rejected as the terminal distinguishing marks were not clear and distinct. (2) The slot in one case for "L4" connector and in the other for the "OFF" connector was slightly small and did not permit easy entry of the Connector.	Supply returned to the firm on 30-3-55.
26-11-53	DGSD/S/7/Gb4/21 10-8-53.	M/s Samuel Osborn (India) Ltd., Calcutta.	Welding Rods C.I. machinable Gauge.	6031 ft.	Passed by the Director of Inspection, Calcutta. Rejected being of unmachinable quality.	Supply returned to the firm on 7-10-55.

1	2	3	4	5	6	7
26-11-53	P5/Gb5/Prog/53/54-7 of 11.7/1-8-52.	M/s Raghunath Enamel Ltd., Kanpur.	Interior oil varnish extra hard drying.	340 gals.	Passed by the Director of Inspection, Kanpur. Rejected as the varnish did not dry even after 36 hours.	Finally accepted on 6-7-55 when the firm supplied 20 galls. of Liquid Drier to rectify the Paint.
	C/4/HB/395/DGSD/ CBP of 20-1-52.	The Cosmopolite, Calcutta.	Side Lamps similar to J. Stones design 7932-1 with handle etc.	60	Passed by the Director of Inspection, Madras. Rejected being of coarse finish and various other defects.	In view of extreme urgency the supply was accepted on 9-1-55 after modifications attended to in shops.
	ISD/S/UBL/5/GB/5/ 64 of 20-5-53.	} East India Paint & Chemical Works Ltd., Calcutta.	Enamel Black resin to specification GP/307/249.	70 Gals.	} Supplies were not conforming to spec. ordered.	} The supply was rejected.
	ISD/S/UBL/5/GB/5/ 105 of 12-6-53.			60 Gals.		
	S/PER/4/HB/503/ DGSD/54-55 of 27-8-55.	M/s Acme Mfg. Co. Ltd., Bombay:	Plug, case, plug socket.	62	Not in accordance with drawing and specification.	Rejected and returned to the firm as agreed to by DGS&D and firm.
	DGSD/P8/S/PER/GB 10/1041 of 23-2-53.	M/s Veermani Industries Ltd., New Delhi.	Soap fluid.	1545	Not upto the specification. Lathering property poor. Makes the washed surface sticky.	Sample drawn by Director, Inspection, Madras at this end and sent to Alipore Test House. The result is awaited.

Prog/RDS/P8/S/UBL/ PWP/PER/GB3/15 of 26-3-54.	M/s S.K. Guha Co., Calcutta.	Skin sheep undyed 29" x 18½".	Nos. 18	18 Nos. with holes and could not be cut into the required size of 29" x 18½".	Accepted at a reduc- tion of 8.5% in price after corres- pondence as per DGSD letter of 8-8-55.
Prog/RDS/P8/per GB3/8 of 18-3-54.	M/s Mehar Bux & Co.	Hides buff 1/4' Hides 5/16:	T.I 11-0-8 T.O. 4-1-27.	Inferior quality and too thin. Inferior in quality & unsuitable for making hydraulic pump buc- kets.	Supply rejected and retd. to the firm and the matter is still under cor- respondence.

APPENDIX IV

Statement showing the strength and cost of running the presses

Year	RAILWAYS							Total	
	Northern	Western	Central	Eastern	South-Eastern	Southern	North-Eastern		
Strength for 1954-55 (both supervisory and labour).	239	333	908	878	56	427	407	3348	
Average hours of work per week.	41	44	44 Byculla Press 42 Secunderabad Press	44	40	44	44		
Cost of running of the Presses	1952-53	1,08,000	73,950	10,65,000	19,33,668	94,452	6,89,914	6,70,842	46,35,826
	1953-54	1,20,000	79,980	12,74,000	18,98,301	92,765	7,77,338	7,82,510	50,24,894
	1954-55	1,56,000	94,759	13,54,000	20,46,436	87,367	7,61,500	8,36,041	53,36,103

APPENDIX V

Statement showing the number of tickets manufactured and the number of forms and volumes printed in all the Railway Presses

	Year	Railways							
		Northern	Western	Central	Eastern	South-Eastern	Southern	North-Eastern	Total
	1	2	3	4	5	6	7	8	9
1. Tickets manufactured.	1952-53 1953-54 1954-55	Nil Nil Nil	Nil Nil Nil	Nil 82936400 103356000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	.. 82936400 103356000
2. Tickets printed	1952-53 1953-54 1954-55	142041200 174913775 169904325	176435325 172280325 194697770	135558937 12700944 116035462	159107350 136744157 146393697	43317000 39586000 54759000	201682151 174731802 178754103	95429845 119880942 116769510	953571808 945337945 977313797
		Northern	Western	Central	Eastern & South Eastern	Southern	North Eastern	Total	
3. No. of forms printed	1952-53 1953-54 1954-55	11930000 16175000 24900000	8938900 26148280 31490088	61228450 70172981 72257646	373677343 232663726 257285350	234836236 301073044 255790042	39100000 54501020 53070000	729710929 700734051 694793126	
4. No. of volumes	1952-53 1953-54 1954-55	Nil 10600 157100	707000 882000 1115000	2467584 3128003 4367354	2040421 2287595 2221172	825788 958593 890924	290000 370000 359000	6330793 7636791 9110550	

NOTE The figures for items 3 and 4 in respect of the Eastern Railway include also the figures for the South-Eastern Railway.

APPENDIX VI

Statement showing the number of time-tables printed, the number sold, realisation from advertisement and sale of copies to public and number sold as scrap.

	RAILWAYS							
	Year	Northern	Western	Central	Eastern & South Eastern	Southern	North Eastern	Total
Number of time-tables printed .	1952-53	1,93,000	1,49,800	2,44,000	3,55,500	2,70,950	1,06,000	13,19,250
	1943-54	2,74,000	2,44,000	2,72,500	3,42,175	2,70,000	83,000	14,85,675
	1954-55	3,76,950	2,12,000	2,77,600	3,43,475	3,12,000	84,000	16,06,025
Number sold	1952-53	1,40,608	1,31,450	2,30,879	3,42,238	2,23,525	81,949	11,50,649
	1953-54	1,91,828	1,66,211	2,56,996	3,31,392	2,41,467	70,304	12,58,198
	1954-55	*Not available	1,50,594	2,51,892	3,32,934	2,75,413	71,997	10,82,830
Realisation from advertisement .		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	1952-53	Rs. 18,235	Rs. 10,126	Rs. 15,720	Rs. 44,385	Rs. 53,375	Rs. 11,950	Rs. 1,53,991
	1953-54	Rs. 13,210	Rs. 9,541	Rs. 18,850	Rs. 41,470	Rs. 43,516	Rs. 25,931	Rs. 1,52,518
	1954-55	Rs. 7,260	Rs. 8,353	Rs. 12,400	Rs. 41,755	Rs. 39,410	Rs. 19,753	Rs. 1,28,931
Realisation from sale of copies to public	1952-53	Rs. 45,612	Rs. 21,144	Rs. 54,213	Rs. 72,538	Rs. 65,102	Rs. 20,734	Rs. 2,79,343
	1953-54	Rs. 55,033	Rs. 27,010	Rs. 59,502	Rs. 59,872	Rs. 67,054	Rs. 21,928	Rs. 2,90,408
	1954-55	*Not available	Rs. 24,740	Rs. 60,188	Rs. 61,778	Rs. 75,748	Rs. 22,615	Rs. 2,45,069
No. sold as scrap	1952-53	52,392	11,756	13,121	13,262	31,885	359	1,22,775
	1953-54	82,172	67,803	15,504	10,783	10,951	328	1,87,541
	1954-55	*Not available	50,756	25,708	10,541	20,995	164	1,08,164

*Sale account not finalised.

APPENDIX VII

Statement showing the summary of Conclusions/Recommendations of the Estimates Committee relating to the Ministry of Railways—Stores & Printing.

S.No.	Ref. to para No. of the Report	Summary of Conclusions/Recommendations
1	2	3
1	1	The contribution of the Railways towards the industrialisation of a country is twofold; (i) They assist in the growth of new industries by taking raw materials required to the site of industry and by distributing the finished products to the various consuming centres, and (ii) rail-communications by themselves are a highly specialised industry, the development and manufacture of which requires a large number of ancillary industries. The Railways, therefore, can give a great fillip to the industrialisation of the country by creating indigenous capacity for the manufacture of thousands of items of stores required by the Railways.
2	4	It is gratifying to note that the percentage of value of stores of Indian manufacture to the total purchases has increased substantially from 61% in 1938-39 to 78% in 1954-55 though the Committee would like to see that the percentage is still higher. During the Second Five Year Plan, with their programme of further expansion, the stores purchases of Indian Railways will go up further. In view of these factors, the important role that the Indian Railways are bound to play in developing capacity of ancillary industries to feed them, cannot be overstressed.
3(a)	9-10	The Committee are glad to note the steps taken by the Railway Ministry to achieve self-sufficiency in regard to items of stores, which are at present procured from abroad. The Committee particularly appreciate the step taken by the Railway Ministry in appointing the Railway Equipment Committee in February, 1955. The activities of this Committee have given a great impetus to the prospective manufacturers in going ahead with their schemes for production of railway equipment.

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3(b)-	11	The Committee hope that the Railway Ministry will lose no time in implementing the recommendations of the Railway Equipment Committee.
4	12	The Committee feel that the engineering industry in general and the prospective manufacturers in particular are unaware of the estimates of Railway requirements, and suggest that the future requirements of Railways (for the next five years at least) should be worked out and given wide publicity. The Committee understand that the Railway Board proposes to bring out a printed catalogue of stores, details for which have been collected. The Committee suggest that the issue of the catalogue could be expedited.
-	14	The Committee recommend that the Railway Equipment show rooms should not be closed down on any account and suggest that the show rooms should be taken over by the Central Purchase Organisation within a specified time and should be gradually expanded to exhibit all the requirements of the Government in various departments. There should be a guide book giving a brief description of the important articles exhibited in the show rooms, which should be made available to the visitors and to industrialists and general public at a nominal cost.
6	15	The officials in charge of the show rooms should be in a position to supply the requisite specifications and drawings of the materials etc. on the spot to prospective suppliers and also have adequate technical knowledge of the stores in their custody and be able to explain the important features of the equipment in the show rooms.
7	28-30	The Committee view with concern the increase in the number of <i>ad hoc</i> indents placed by the Railways in 1954-55 as compared with the previous two years. The Committee feel that the Railway indentors should have a definite programme chalked out sufficiently in advance and intimate their requirements to the D.G.S. & D. who can then try to procure the articles in good time, on a planned basis.
8	34	The Committee consider it rather unfortunate that as many as 111 indents should be in arrears over two years old on the 31st March, 1955

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and hope that with the implementation of the recommendations contained in the Report of the Stores Purchase Committee, there will not be any such large scale delays on the part of the D. G.S. & D. As far as the Railways are concerned, the Committee suggest that apart from the discussions held between the Purchase Officers of the D.G.S. & D. and the Controllers of Stores, the Liaison Officer of the Railways attached to the Central Purchase Organisation should do his best by close co-ordination and constant chasing to ensure that such heavy delays do not occur in future. The Indian Railway Enquiry Committee (1947) had suggested that joint meetings of the Controllers of Stores and the Ministry of Industry and Supply (now Ministry of Works, Housing and Supply) should be held quarterly. The Committee understand that actually the meetings are held at half-yearly intervals. The Committee suggest that the meetings should be held at quarterly intervals, when non-compliance of indents for over three months should be discussed and steps taken to reduce the delays.

- 9 35 The Committee fail to appreciate why the Eastern Railway should be unable to furnish the information regarding the number of approved contractors for the years 1952-53 and 1953-54.
- 10 37 The procedure adopted by the various Railways for placing contractors in the approved list of the merged Railways is not uniform. The procedure adopted by the Western and the Northern Railways has created hardships to the approved contractors of the merged Railways. The Committee, therefore, recommend that the policy adopted by the Southern and the Central Railways should be introduced, uniformly on all Indian Railways in this respect.
- 11 38 The Committee recommend that in respect of small scale and cottage industries for which no special facilities are being given for registration at present, special concessions may be given hereafter so as to give a fillip to those industries. The matter may be examined in consultation with the Ministry of Works Housing and Supply so that a common procedure may be evolved in the

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matter. The Committee also suggest that steps should be taken to adhere to the time-limit for the registration of a new firm as laid down by the Stores Purchase Committee.

- 12 39 The Committee suggest that some non-officials who are not interested in actual trade but who have experience in the line may be associated with the Tender Committees. This will have two advantages; (a) the benefit of the experience of the non-officials will be available to the Committee, and (b) the official members of the Committee will not be exposed to any criticisms of favouritism etc. The Committee also reiterate the recommendation made by the Stores Purchase Committee that 'late' tenders should not be considered at all.
- 13 40 The Committee suggest that the Railway Board may bring out a handbook containing the drawings and specifications of items of equipment they require so as to make it readily available and useful to the manufacturers. This will obviate the frequent preparation of copies of drawings and specifications which throws additional burden on the Central Standards Office.
- 14 43 During the tours of the sub-Committees of the Estimates Committee, they had observed that the progress of works undertaken was often retarded due to shortage of material. The Committee are, therefore in agreement with the observations of the Railway Accidents Enquiry Committee (1954) that departmental or ministerial considerations at the Centre, based on the theoretical advantages of centralisation, should be relaxed as far as, the provisioning of Railways is concerned or alternatively railways could be permitted to carry appreciably larger stocks of stores in the depots of their consuming agencies, increasing present balances suitably to avoid holding up essential production.
- 15 44 The Committee have no objection in principle to the system of making purchases through the Central Purchase Organisation. The Committee are however anxious to see that the Second Five Year Plan of Indian Railways is in no way jeopardised due to delayed and/or inadequate supply of stores. The Committee hope that the various recommendations made by the Stores Purchase Committee
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will be pursued vigorously and as a result of the improvement brought about therein, the situation of continued short supply, hampering the programme of works of Railways will not be allowed to recur, especially during the Second Five Year Plan.

- 16 45 The Committee observe that at present there is not enough decentralisation in the matter of purchase of stores in the Railways.
- 17 46 The Committee understand that in some cases, particularly where purchase of locos, carriages, signalling and non-ferrous components are concerned, as also requirements of large construction and production units, a ceiling limit of Rs.10,000/- may not be adequate. As the ceiling limit, has, however, been adopted only recently the results will have to be watched by the Railway Board. While the Committee have no objection to a cautious policy being followed in the matter, they would suggest that the limit should be enhanced if necessary, after gaining experience about the manner in which the present enhanced limit facilitates actual purchases.
- 18 47 The Committee also suggest that there should be greater decentralisation of purchase with a view to encouraging small-scale industries. The Committee understand that in Bombay and Saurashtra, Regional Railway Equipment Committees have been functioning with a view to seeing that as much Railway equipment as possible for consumption in the respective areas is procured from within the States. The Committee feel that the Railway Ministry should approach the other State Governments with a view to establishing similar Committees in their respective States.
- 19 48 The Committee feel that the Divisional Superintendents should be authorised to make local purchases upto a specified limit with the object of giving encouragement to local cottage and small scale industries. This will also incidentally serve to avoid unnecessary haulage.
- 20 49 The Committee also recommend that the schedule of powers laid down for authorising local purchases should be reviewed and decentralised
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to a greater extent. Periodical combined inspections by the Stores and Accounts Inspectors should be prescribed with a view to ensure that the decentralised powers are correctly used. The Committee would even suggest that limited powers may be delegated to the Station Masters, Loco-foremen and Train-examiners for making local purchases of small items of daily use, upto a specified limit.

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The Committee consider that for purchase from the small-scale industries, the Director General of Supplies and Disposals would not function as effectively as the Railways, because the Railways have their Divisional/District Organisations throughout the country; the D.G.S. & D. has got his offices only at New Delhi, Calcutta, Bombay and Madras. The Committee recommend that the Railways should give as much encouragement as possible to the cottage and small-scale industries. Certain items of stores will have to be exclusively reserved for purchase from such industries in consultation with the Small-Scale Industries Board and the D.G.S & D. The Committee recommend that brief particulars of the items purchased from the cottage and small-scale industries and the value paid should be included in the Annual Reports of the Railway Board.

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The Committee are glad to note the encouragement that is being given to Khadi by the Railway Ministry and hope that the use of Khadi will be progressively increased in future. The Committee recommend that the details of the purchase of Khadi (quantity and value) should be regularly included in the Annual Reports of the Railway Board.

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The Committee would like the purchasing organisations of the Railways to keep the recommendation of the Stores Purchase Committee about giving price preference to indigenous products constantly in view. Any complaints about non-compliance of the recommendation should be promptly and properly investigated by the higher authorities.

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It was represented to the Committee that indigenous products like paints and ply belting were not encouraged on the ground that they did not

come upto the standard. The Committee suggest that even though Indian paints lasted one year instead of for a longer period for which the foreign paints lasted and even if it was necessary to give more coating, Indian paints should be preferred because the money spent would remain within the country. Similarly, in the case of ply belting the Committee suggest that the Railways should ensure that the indigenous factories do not have to close down for want of orders. Standards of quality can be determined in consultation with the Indian Standards Institution. The quality of the indigenous material receiving such encouragement is bound to improve in course of time.

- 25 57 The Committee are glad to learn that a section is being set up in the Railway Equipment Directorate with the object of giving encouragement to the indigenous products, with due regard to the technical limitations consistent with the requirements of safety. The Committee hope that the proposed section will be set up without any loss of time.
- 26 59 The Committee understand that in response to the press Notice dated 16-4-55, issued by the Railway Board, only a few firms have so far approached the Ministry of Railways for information regarding new products which might be of particular use to the Railways. The Committee suggest that a fresh press Notice should be issued and, if necessary, be supplemented by advertisements in the leading News-papers in all languages of the country, reiterating the needs of the Railways and their plans to give impetus to the existing and prospective manufacturers for production of the requisite Railway equipment within the country.
- 27 60 The Committee hope that energetic steps will be taken to overcome the difficulties experienced in arranging local purchase of stores by the various Railway Administrations.
- 28 61 The Committee observe, in particular that the policy regarding payment of Sales-tax in the case of inter-state transactions to the suppliers of store is under formulation in consultation with
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the Attorney General of India and the Ministry of Law. The Committee recommend that in order to avoid any possible misapprehensions regarding the payment of Sales-tax, the recommendation made by the Stores Purchase Committee that quotations should automatically be of an "all inclusive" basis (that is inclusive of Sales-tax and other local taxes), should be implemented by the Railways also.

- 29 69 The Committee are surprised to note that the codal rule stipulating that the security deposit should be taken from Ward-Keepers has not been enforced and suggest that the security deposit be obtained from each and every Ward-Keeper in all the Railways. The Railway Board should ensure that the security deposit has been taken in all the cases by a target date. The Committee also wish to reiterate the recommendation made by the Railway Corruption Enquiry Committee, that there should be independent 'spot' checks on all branches of Stores Department of the Railways by statutory audit.
- 30 74-75 The Committee note that the work of posting and reconciliation of price ledgers with numerical cards is in arrears on the Eastern, the North Eastern and the Southern Railways. The Committee see no reason why there should be any arrears in the posting and reconciliation work, even though the staff employed in the ledger section is sufficiently large. Non-posting and reconciliation of price ledgers with numerical cards is fraught with the risk of embezzlement. The Committee recommend that the causes which led to the arrears in the Eastern, the North-Eastern and the Southern Railways should be thoroughly investigated and steps taken to avoid recurrence of similar arrears in future. The work now in arrears should also be brought up-to-date by a target date which should be fixed by the Railway Ministry.
- 31 82-83 The Committee note that the stock verification work is in arrears in the North-Eastern and the Northern Railways and suggest that the arrears should be cleared immediately. The Committee observe that the North-Eastern Railway is not only in arrears in respect of posting and reconciliation

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of price ledgers but also in respect of stock verification. A special investigation appears necessary with a view to ascertaining the circumstances in which the arrears have accumulated and to fix responsibility on the staff concerned.

- 32 89—90 The Committee understand that disputes on inspection have arisen in some cases as the material inspected by the Inspection Wing of the Director General of Supplies and Disposals was found unsuitable by the Railways on further inspection. The Committee suggest that the reasons for the large number of defective inspections by the Inspection Wing of the Central Purchase Organisation should be discussed at a high level meeting between the Railway Ministry and the Ministry of Works, Housing and Supply and steps taken to avoid similar lapses on the part of the Inspection Wing of the Central Purchase Organisation in future.
- 33 91—92 The Committee suggest that each Railway should make a proper survey of their permanent requirements of the Stores Depots and take steps to build them at properly selected places, providing for suitable stacking of material, free from chances of wastage, deterioration or pilferage. The Committee also suggest that the following observations of the Railway Stores Enquiry Committee (1950-51) on the subject should be borne in mind while building new depots for collecting stores during the Second Five Year Plan.
- “Ordinary standards of neat house-keeping which would be expected in a normal stores depot are not being observed”.
- 34 98 The balances of stores in the Eastern and the Central Railways are considerably higher than on other Railways. The Committee suggest that a detailed examination may be made to find out if the balances on these Railways cannot be brought down to the same level as those on the Northern, the North-Eastern and the Southern Railways, if not as that on the Western Railway.
- 35 100 In order to avoid the possibility of any of the works being held up during the Second Five Year Plan, the Railways will have to build up reserves of stores required in connection with the heavy

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programme of works during the Second Plan, and this will inevitably lead to increase in stores balances. All the same, the Committee would like the Railway Ministry to keep a very careful watch over the figures of stores balances and ensure that they do not mount up disproportionately. Though the Committee do not want to fix any rigid limit, they are generally in agreement with the Indian Railway Enquiry Committee (1947) who had suggested that the Railways should "have in hand at any time not more than nine months' requirements in the case of goods available in the Indian market and not more than 18 months' requirements in the case of stores imported direct".

- 36 104 The Committee are glad to note that the Railways have succeeded in bringing down the surplus stores from Rs. 10'19 crores on 31-3-51 to Rs.3.59 crores on 31-3-55. The Committee hope that the position would not be allowed to deteriorate during the Second Five Year Plan.
- 37 108 The Committee notice that the Railways had accumulated up to the 31st March, 1955 scrap material worth over Rs. 220 lakhs. The Committee suggest that the reasons for such heavy accumulation of scrap material should be properly investigated and suitable steps taken (i) to arrange for its expeditious disposal and (ii) to ensure that such heavy accumulations do not occur in future.
- 38 109 The Committee recommend that a definite procedure should be fixed for facilitating the speedy disposal of scrap material. As regards the disposal of ferrous scrap, the Committee suggest that the matter should be discussed at a meeting between the Iron and Steel Controller and the Railway Board and a firm decision arrived at not only on the method of and arrangements for the disposal but also the fixation of a reasonable price so that small merchants may find it worthwhile to collect the Ferrous scrap quickly. As regards Non-ferrous scrap, the Railways themselves should take more energetic steps for disposal. Auctions should also be held at more frequent intervals, sub-Committees of the Consultative Committees being associated with the auctions.

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- The Committee consider that it would also be desirable to circulate the list of surplus stores amongst other departments of the Government of India, State Governments, the *quasi* public bodies and also the Associations of Trade & Industry in addition to the circulation of lists amongst the various Railways.
- 39 112 The Committee notice that the average hours of work per week in the Printing Presses vary from Railway to Railway. The Committee suggest that the reasons for the variation should be examined by the Railway Ministry and a standard fixed which should apply to all the Railways.
- 40 113 The Committee observe that in the Central, the Western, the Southern and the Northern Railway the number of Railway Time Tables unsold has been steadily increasing. The loss in printing a larger number of Time Tables than are needed would be of the order of Rs. 50,000 per annum. The Committee suggest that the reasons for the needless printing of a larger number of copies involving wastage, should be carefully examined by the Railway Ministry and steps taken to avoid such losses in future.
- 41 114—115 The Committee recommend that the Time Tables, should be printed and sold on a 'no-profit no-loss' basis. A slight reduction in cost may possibly reduce the number of unsold copies which are to be scrapped. Revenue from advertisements should be a balancing factor and steps should be taken to augment this revenue.
- 42 119—120 The Committee understand that the Railways are taking steps to replace old and obsolete machines by new and improved types of machines. Additional machines and buildings are also being arranged where considered necessary. The Committee suggest that the Railway Ministry should lose no time in reviewing the whole position and take all possible steps to attain self-sufficiency in the matter of printing within the minimum possible time. In this connection, the Committee understand that although no specific sum had been earmarked for the expansion of Railway Printing Presses during the Second Five Year Plan, the Railways were making a provision of Rs. 1 crore under the Plant and Machinery Programme to attain self-sufficiency.

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43	121	The Committee suggest that the rates charged by the private presses for jobs undertaken by them for the various Railways should be compared with the figures of cost of similar jobs executed departmentally in Railway presses and also the corresponding rates in other Government presses for the financial years 1953-54 and 1954-55. Thereafter, the Railway Ministry should standardise rates for printing after consulting the All-India Printers' Conference and Exhibition, if necessary.
44(a)	124	The Committee suggest that the Time-tables should be made available at all stations where the mail and express trains stop and at all junction stations. If there are no book-stalls at any of these stations, the Time-tables should be made available at the booking offices and suitable notice boards should be put up : "Time-tables are available for sale here".
44(b)	125	The Committee suggest that the All-India Time-table should be given the widest publicity and steps taken to push its sales. Proper measures should be taken to ensure that the same is available for sale at all the Railway Book-stalls.
45	127	In view of the fact that a private firm has been given the advantage of gathering advance information regarding the timings of trains for the publication of "Bradshaw", the Committee recommend that either a suitable charge should be levied for supplying the requisite information or the supply of advance information should be discontinued forthwith. Moreover, if some arrangement is arrived at with this or some other firm to publish the Time-tables, there would not be sufficient justification to continue the departmental publication of the All-India Time-table.
46	128	The Committee consider that information on the specification of each and every type of equipment in use all over the Railways in India should be in possession of the Central Standards Office (Railway Board). Alternative sources should be tried to get specifications, if a particular firm is not agreeable to divulge the same. The Railway Ministry should also consider the desirability of placing their orders for such equipment with different firms from different countries as a measure of encouraging competition.

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- 47 131 The Committee recommend that the viewpoint of the Railways that the price of imported cement should be equalised as in the case of steel deserves special consideration as all the extra cost should not be placed entirely upon the Railways. The Committee consider it rather disquieting that cement should be imported from abroad. Probably, the Railway transport system stands in the way of issuing fresh licences to prospective producers of cement even though there is plenty of raw material available. Lest the import of cement should become a recurring feature, the Committee recommend that the requirements of the Railways for cement should be met first to enable them to step up their capacity to carry the raw materials required for the manufacture of cement within the country. Otherwise, it will be creating a vicious circle, the country not being in a position to have more cement factories just because the Railways are not in a position to carry the raw materials and the Railways not being in a position to carry the traffic offered just because cement is not supplied to them in adequate quantities so as to enable them to complete their works expeditiously.
- 48 141 The Committee consider that delays in payment deter the suppliers from coming forward to supply articles to Government and even when they do come forward, they charge very high prices. The Committee are glad to observe that the Ministry of Works, Housing and Supply have accepted the recommendation of the Stores Purchase Committee that the payment of final bills of the suppliers should be ensured within 90 days from the date of despatch of stores. The Committee recommend that the maximum time limit should be fixed by the Railways also in respect of payment relating to the purchases made departmentally by them. The Railway Board should also call for half-yearly statements from individual Railways showing the cases of supplies for which payments have not been made for over 3 months together with the reasons thereof with a view to analysing the causes and taking remedial steps for the delay in payment.
- 49 142 The Committee suggest that the Accounts Officers should point out to bill-submitting officers every case in which bills of contractors or firms or

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municipalities etc. for work done or supplies made are detained in the bill-submitting offices for over a week. The F. A. & C. A. O. should also submit a monthly statement of delayed submission of bills to the General Manager. In respect of bills which had not been submitted for more than a month, explanations should be called for in every case of delay from the officials at fault and suitable disciplinary action taken against them.

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While the Committee are assured that there is nothing against the dual control by the Chief Engineer and the Controller of Stores over "Track" stores and sleepers, the Committee are not happy over the existing arrangements. In the interests of efficiency, the Committee consider it desirable that there should be uniformity of procedure on all the Railways, whatever might have been the position in the past, when the Railways were under different managements.

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The Committee note with satisfaction that the recommendation of the Stores Purchase Committee that the D.G.S. & D. should pick out experienced and suitable officers from indenting Ministries with a view to solving the problem of supply, has been accepted, and that a few Railway officers have already been posted to the D.G.S. & D. The Committee suggest that the feasibility of obtaining competent men on loan from the State Governments and also the All India Khadi and Village Industries Board should be examined by the Ministry of Works, Housing and Supply as also the Railway Ministry. In fact, the possibility of obtaining men experienced in stores purchase from leading manufacturing establishments and other nationalised undertakings for short periods, may be considered with advantage. Likewise, Stores Officers of the Railways might be deputed to serve in the important manufacturing and commercial establishments for short periods. Such interchange of personnel will bring the Railways and the leading manufacturing establishment in close contact with one another and enable each to appreciate the needs and difficulties of the others.

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The Committee understand that it has not been possible to complete the action on the recommendations made by the Railway Stores Enquiry Committee (1950-51) regarding the simplification

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of the existing classification of stores and the Stores Code due to the regrouping of Railways, pressure of work etc. The Committee do realise that revision of the Stores Code is a heavy and difficult task, but they do not see sufficient justification for the abnormal delay in the implementation of the recommendations. A target date should now be fixed for completing the task. In order to expedite the work, each Zonal Controller of Stores may be asked to prepare a few draft chapters on selected items and the work can be co-ordinated, supplemented and finalised in the office of the Railway Board. While revising the Stores Code, not only the experience gained by the Railways in the working of safeguards and security precautions in existence all along, but also, the various recommendations made by the Stores Purchase Committee and the Railway Equipment Committee should be kept in view.

- 53 148 The Committee suggest that the quality of stationery supplied to the Railway staff should be improved and that the use of hand-made stationery should be introduced on Indian Railways.
- 54 149-150 The Committee suggest that the existing foundry capacity for Ferrous (Cast Iron) and Non-ferrous metals should gradually be developed on all Indian Railways on a reasonably uniform basis.

