SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Report of the
Comptroller and Auditor General of India
for the period ended March 2023

Union Government
Ministry of Railways
Report No. 5 of 2025
(Compliance Audit - Railways)

Report of the
Comptroller and Auditor General of India
for the period ended March 2023

Union Government

Ministry of Railways

Report No. 5 of 2025

(Compliance Audit - Railways)

Preface

The Report for the year ended March 2023 has been prepared for submission to the President under Article 151 (1) of the Constitution of India.

The Report contains significant results of the compliance audit of the Ministry of Railways of the Union Government. This Audit Report contains 25 audit observations.

The instances mentioned in this Report are those which came to notice in the course of test audit for the period 2022-23 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2022-23 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Contents

OVERVIEW

Overview

The Audit Report for the year ending March 2023 comprises of four Chapters *viz*. Chapter I (Introduction), Chapter II (Operations and Business Development), Chapter III (Infrastructure) and Chapter IV (Traction and Rolling Stock). This Report consists of audit findings relating to compliance issues in respect of the Ministry of Railways and its various field units. This Report includes 25 individual paragraphs involving money value of ₹ 543.17 crore. A brief overview of the important audit findings and recommendations is given below.

Para 2.1 Non-realisation of shunting charges: East Central Railway

Non-levy of shunting charges for shunting activity by using railway engines at Bina siding (BCSK) of East Central Railway resulted in non-realisation of ₹ 50.77 crore from the siding owner during the period from April 2020 to March 2023.

Recommendation:

Railway Administration should ensure that similar omission is not occurring in respect of other sidings resulting in non-realisation of shunting charges.

(*Page-15*)

Para 2.2 Loss due to inaction on proposals relating to operation of train with poor patronage: South Western Railway

Even after poor patronage of an express train between Satya Sai Prasanthi Nilayam (SSPN) station and KSR Bengaluru City (SBC) station, which was repeatedly reported by Bengaluru (SBC) Division, South Western Railway (SWR) continued its operation. This resulted in loss of ₹ 17.47 crore on its running during the period from 2017-18 to 2022-23.

Recommendations:

- ***Ministry of Railways (MoR) should review the operation of the train in light of the suggestions made by SBC Division and SWR Zone and take an appropriate decision.***
- ***The delay on the part of the Zonal Railway in bringing the issue to the notice of MoR may be examined and responsibility fixed.***

(*Page-17*)

Para 2.3 Loss of revenue due to non/delayed upgradation of routes: Western Railway

Ministry of Railways permitted freight loading of CC+8 tonne axle load on origin-destination pairs over routes where the CC+6/CC+4 stretches were within 10 *per cent* of the total distance of route, by putting suitable speed restrictions till conversion of such stretches into CC+8. These directives were implemented in Western Railway in three such routes after a delay of more than two years which led to less loading of commodity of 51,453 tonnes in rakes resulting in revenue loss of ₹ 6.17 crore during the period from June 2021 to September 2023. In one other such route, these directives were yet to be implemented. As a result, 23,817 tonnes of commodity could not be loaded in rakes resulting in loss of revenue of ₹ 6.45 crore during the period from April 2022 to September 2023.

Recommendation:

MoR may ensure that the Origin-Destination pair of WPA-FGTP is notified as CC+8 route without any further delay. Western Railway may review all routes and confirm that no other such notification is pending.

(***Page-19***)

Para 2.4 Loss of ₹ 11.02 crore to the Railways due to sanction of ineligible STS concession: Southern Railway

To garner additional traffic, concession in freight rates was allowed by the Railways under the Station-to-Station Rates (STS) scheme. Railway Board issued comprehensive guidelines which specifically instructed the Zonal Railways to ensure that this concession results in increased freight traffic and the consignees should not be able to take concession in the name of new traffic by changing the loading point or by diverting the existing traffic. However, Southern Railway Administration sanctioned ineligible concession resulting in loss of ₹ 11.02 crore to the Railways.

Recommendations:

- ***Responsibility may be fixed for allowing the ineligible concession.***
- ***The internal controls may be strengthened to check that concession orders are implemented as per extant instructions.***

(***Page-22***)

Para 2.5 Loss of potential freight earning due to empty haulage of defective wagons: South Eastern Railway

South Eastern Railway supplied unfit/unloadable wagons along with fit wagons to Ultratech Cement Limited Siding at Dhutra and Orissa Cement Limited Siding at Rajgangpur. These defective wagons were allowed to run empty along with fit wagons in the outward rakes for different locations. As a result, South Eastern Railway could not earn potential freight to the tune of ₹ 10.25 crore for these defective empty wagons during 2021-22 and 2022-23.

Recommendations:

Railways may ensure supply of only fit wagons so as to avoid loss of freight earnings due to empty haulage of defective wagons.

(***Page-26***)

Para 2.6 Failure of Railway Administration in timely supply of rakes against premium indent resulted in potential loss of premium charges: West Central Railway

Railway Administration failed to implement Railway Board's Policy by not supplying rakes to the parties against premium indents resulting in potential loss of premium charges amounting to ₹ 6.16 crore.

Recommendation:

Ministry of Railways and West Central Railway may work out appropriate strategies for implementing the Premium Indent Policy to garner additional revenue, as envisaged.

(***Page-29***)

Para 2.7 Failure to initiate proposal for notifying a route to carry higher axle-load resulted in loss of revenue: Southern Railway

The objective of Southern Railway (SR) to operate CC+8 loads in Magnesite Junction - Nagercoil section (458.25 Kms) could not be realised due to non-submission of a proposal to Ministry of Railways to notify the Karur-Nagercoil section as fit for running CC+8 loads. This resulted in loss of revenue of ₹ 5.43 crore during the period April 2018 to March 2023 due to carrying of less load through the entire section.

Recommendations:

- ***Ministry of Railways may ascertain the reasons for non-submission of proposal for notifying the Karur-Nagercoil***

section and fix responsibility of the officers for the consequent loss of revenue.

- ***MoR may take requisite action to notify and open the section for CC+8 operation as per original objective.***

(*Page-32*)

Para 3.1 Short recovery of land licence fee of ₹ 148.61 crore from Government-aided schools: Northern Railway

Northern Railway did not comply with Railway Board's directives to recover license fee at the rate of six *per cent* of land value from five Government-aided schools which led to short recovery of licence fee of ₹ 148.61 crore.

Recommendations:

Ministry of Railways may

- ***Ensure compliance of Railway Board's directives and ensure that written agreements are entered into with the concerned parties and,***
- ***Take action for recovery of the licence fee, as per Railway Board directives, from these schools.***

(*Page-37*)

Para 3.2 Non-recovery of contribution from contractors towards District Mineral Foundation: South Eastern, South Western, North Central, East Coast, Eastern, North Western, Southeast Central, West Central and Central Railways

The Mines and Minerals (Development and Regulation) Act, 1957 provides for payment towards District Mineral Foundation (DMF) in the interest and benefit of persons and areas affected by mining-related operations. Contribution towards DMF is to be deducted from contractors along with royalty, in case the same is not paid by the contractor. Though royalty is being recovered by South Eastern, South Western, North Central, East Coast, Eastern, North Western, South East Central, West Central and Central Railway Administrations from contractors' bills, contribution towards DMF is not being recovered, resulting in non-recovery of ₹ 55.51 crore during the period from January 2015 to March 2024.

Recommendation:

Contribution to DMF is a statutory due and its proper compliance needs to be ensured by Zonal Railway Administrations. Ministry of Railways may instruct Zonal Railways to incorporate a clause for recovery of contribution towards DMF in the contract agreements in line with the recovery of royalty.

(*Page-41*)

Para 3.3 Non-realisation of ₹ 25.48 crore in execution of deposit work: South Central Railway and Northeast Frontier Railway

Non-compliance to the codal provisions relating to deposit works resulted in non-realisation of ₹ 10.05 crore from Government of Andhra Pradesh by South Central Railway and ₹ 15.43 crore from Defence Department and other parties by Northeast Frontier Railway.

Recommendation:

Control over expenditure for deposit works must be closely watched to avoid any excess expenditure and responsibility may also be fixed.

(*Page-44*)

Para 3.4 Avoidable liability due to delayed renewal of licenses for Very High Frequency sets: South Central Railway

Delay in payment of license fee by South Central Railway Administration, for Very High Frequency sets led to avoidable financial liability of ₹ 23.16 crore towards late fee.

Recommendations:

- ***Ministry of Railways may ensure that appropriate measures are taken by Zonal Railways for timely renewal of licenses.***
- ***Responsibility may be fixed in both the divisions for non-payment of spectrum charges and non-renewal of licenses.***

(*Page-47*)

Para 3.5 Non-adherence to the instructions on apportionment of cost: Central Railway

Non-adherence to codal provisions and Ministry of Railway's (MoR) instructions in apportionment of cost sharing between Railways and Government of Maharashtra (GoM) resulted in extra expenditure of ₹ 15.62 crore in construction of four Road Under Bridges (RUBs) in Diva-

Panvel–Jasai–JNPT section on Western Freight Corridor of Dedicated Freight Corridor Corporation of India Limited (DFCCIL) project.

Recommendation:

Central Railway may adhere to the instructions issued by Railway Board regarding sharing of cost of works between the Railways and the State Government to safeguard the financial interests of Railways and pursue the matter with City Industrial Development Corporation (CIDCO) and DFCCIL to share the additional cost.

(*Page-49*)

Para 3.6 Irregular reimbursement of seigniorage charges: South Central Railway

South Central Railway Administration amended provisions of Indian Railway Standard General Conditions of Contract 2014 without approval of the Ministry of Railways. This resulted in irregular reimbursement of seigniorage charges of ₹ 15.51 crore to contractors.

Recommendations:

- ***Recovery of the irregularly reimbursed amount should be carried out. Responsibility may be fixed for modifying clauses of Indian Railway Standard General Conditions of Contract without the approval of Ministry of Railways.***
- ***Ministry of Railways may review whether similar cases of irregular reimbursement of seigniorage charges has taken place in other Zonal Railways.***

(*Page-52*)

Para 3.7 Non-compliance of Railway Board's instructions and provisions of Memorandum of Understanding (MoU) resulted in non-realisation of State Government's share for construction of Road Over Bridge: Eastern Railway

Eastern Railway failed to implement Railway Board's instructions and provisions of Memorandum of Understanding for construction of a Road Over Bridge. As a result, the State Government's share to the extent of ₹ 13.52 crore could not be realised even after commissioning of the bridge.

Recommendation:

Responsibility may be fixed for undertaking the construction work of the ROB in violation of Ministry of Railways' instructions and terms of Memorandum of Understanding and for not seeking re-imbursement, as indicated by the State Government.

(*Page-56*)

Para 3.8 Non-execution of agreement with the Siding Authority (CONCOR) led to non-realisation of Maintenance and Inspection Charges: Northeast Frontier and South Central Railways

Non-adherence to the instructions of Ministry of Railways led to non-realisation of Maintenance & Inspection Charges of ₹ 12.76 crore from the Container Corporation of India Limited (CONCOR) authorities.

Recommendation:

Railway Administration has to take up the issue at the highest level to recover the outstanding charges from CONCOR.

(*Page-59*)

Para 3.9 Non-commencement of the work of approach roads led to idling of the bridge proper resulting in blocking of capital: South Western Railway

South Western Railway Administration constructed Road Over Bridge without ensuring matching action by Government of Karnataka for their shared work. This has resulted in non-elimination of Level Crossing and blocking of capital of ₹ 11.81 crore for more than five years (2018 to 2023).

Recommendation:

Responsibility may be fixed for undertaking the execution of bridge proper without ensuring the matching progress by Government of Karnataka.

(*Page-62*)

Para 3.10 Non-development of infrastructure at Gosalpur Goods shed resulted in detention of loaded rakes: West Central Railway

Railway Administration could not develop proper infrastructure at Gosalpur Goods shed despite having sufficient freight business resulting in detention of loaded rakes.

Recommendation:

WCR Administration may improve the infrastructure at Gosalpur Siding to reduce the detention of loaded rakes and avoid loss of earning potential of wagons.

(*Page-65*)

Para 3.11 Irregularity in awarding of contract: Northeast Frontier Railway

In violation of stipulated provisions, Northeast Frontier Railway Administration accepted higher rates for procurement of machine crushed Track Ballast ignoring the last accepted rates prevailing in the same area. This resulted in undue benefit of ₹ 9.40 crore to the contractor due to procurement at a higher rate.

Recommendation:

Responsibility may be fixed for giving undue benefit to the contractor.

(*Page-68*)

Para 3.12 Non-commissioning of Electric Loco Trip Shed in New Jalpaiguri led to blocking of funds: Northeast Frontier Railway

Improper planning and lack of co-ordinated efforts of Railway Electrification (RE) Organisation and Open Line (OL) Organisation of Northeast Frontier Railway led to non-commissioning of Electric Loco Trip Shed at New Jalpaiguri, and consequent blocking of funds of ₹ 9.33 crore.

Recommendations:

- ***Responsibility of officers of Operating and Signal & Telecommunication Departments may be fixed for not raising the requisite observations and mentioning the drawbacks in the Engineering Scale Plan while signing the same.***
- ***RE and OL Organisation of* Northeast Frontier *Railway need to work out a solution with a specified time-frame, to ensure that the Electric Loco Trip Shed becomes operational for reliability and safety aspects of electric locomotives.***

(*Page-71*)

Para 3.13 Infructuous expenditure on construction of a terminal station: Eastern Railway

Decision to execute buffer-ended loop deviating from original plan without realising the operational constraints resulted in infructuous expenditure of ₹ 7.62 crore with further undischarged liability of ₹ 1.65 crore in connection with construction of New Garia Terminal station.

Recommendation:

Ministry of Railways may ascertain from the Operating Department of Eastern Railway the reasons for initially proposing the work for

construction of Terminal station at New Garia as a priority work and later proposing for dropping the work. Responsibility of the officers concerned in the Operating Department may be fixed.

(*Page-74*)

Para 3.14 Avoidable extra expenditure of ₹ 7.40 crore on transportation of PSC sleeper due to mismanagement of supply chain: South East Central Railway

Due to non-compliance of Railway Board's instructions and mis-management of supply chain, South East Central Railway incurred avoidable expenditure of ₹ 7.40 crore towards transportation of Pre-stressed Concrete sleepers from longer distance despite availability of sleepers in the nearer Sleeper Plant.

Recommendation:

Ministry of Railways may develop a mechanism so that sleepers can be sourced from the nearest sleeper plants to save on transportation cost.

(*Page-78*)

Para 4.1 Manufacturing of coaches for Nilgiri Mountain Railway (NMR) without assessing basic technical requirement: Southern Railway and Integral Coach Factory

Southern Railway (SR) planned (May 2015) to replace 28 Nilgiri Mountain Railway (NMR) Meter Gauge coaches. Ministry of Railways (MoR) advised (July 2015) Integral Coach Factory (ICF) to design and develop a prototype coach. ICF manufactured 28 NMR coaches and delivered these (between March 2019 and March 2021) to SR at a cost of ₹ 27.91 crore. ICF did not comply with the instructions of MoR in developing a prototype coach in consultation with Research, Design and Standards Organisation which led to creation of ineffective and deficient assets at a cost of ₹ 27.91 crore as NMR coaches were not put to effective use even after three years of manufacturing.

Recommendation:

Ministry of Railways may develop a robust mechanism for development of prototype coaches in consultation with RDSO and only after successful trial run, regular production of coaches should be started to avoid creation of ineffective and deficient assets.

(*Page-85*)

Para 4.2 Short recovery of electricity charges from the occupants of Railway quarters: East Central Railway

Non-implementation of the revised rate of electricity charges of various State Electricity Boards (SEBs) for recovery from the occupants of Railway quarters in Dhanbad Division of East Central Railway resulted in short recovery of ₹ 14.89 crore.

Recommendation:

MoR may ensure recovery of electricity charges from Railway employees residing in the Railway colonies at the same rate as they would have paid if they had taken supply of electricity directly from the SEBs.

(*Page-89*)

Para 4.3 Injudicious procurement of Coach Shot Blasting Plant: Eastern Railway

Disregarding Liluah Workshop's submission on its unsuitability, one Coach Shot Blasting Plant compatible with Linke Hofmann Busch (LHB) coaches only was procured and commissioned in the Workshop as an integral part of mechanised system of painting of coaches. However, subsequent decision of Workshop Authority to outsource the painting and allied works of LHB coaches rendered the procurement of the plant at a cost of ₹ 12.66 crore injudicious.

Recommendations:

- ***Responsibility may be fixed for procurement of the Coach Shot Blasting Plant despite reservations expressed by the end-user.***
- ***Ministry of Railways may issue instructions that procurement of Plant and Machinery may be done with feasibility study and after duly considering the views of the end-users.***

(*Page-91*)

Para 4.4 Non-availing of input tax credit due to erroneous flagging and failure to rectify flagging of Works Contract bills within stipulated time: Eastern Railway

Eastern Railway did not follow Ministry of Railway's guidelines for flagging of Works Contract bills for claiming input tax credit and further could not rectify the incorrect flagging within the stipulated time. As a result, Eastern Railway could not avail ₹ 6.45 crore as Input Tax Credit (ITC) on Goods and Service Tax paid.

Recommendations:

- ***Eastern Railway Administration may take effective steps to ensure proper flagging of bills for ITC. Responsibility may be fixed for incorrect flagging of works contract bills for ITC and failure to subsequently flag the bills correctly within the stipulated time frame.***
- ***Ministry of Railways needs to review whether similar nature of omissions has taken place in other Zonal Railways.***

(*Page-96*)

CHAPTER I: INTRODUCTION

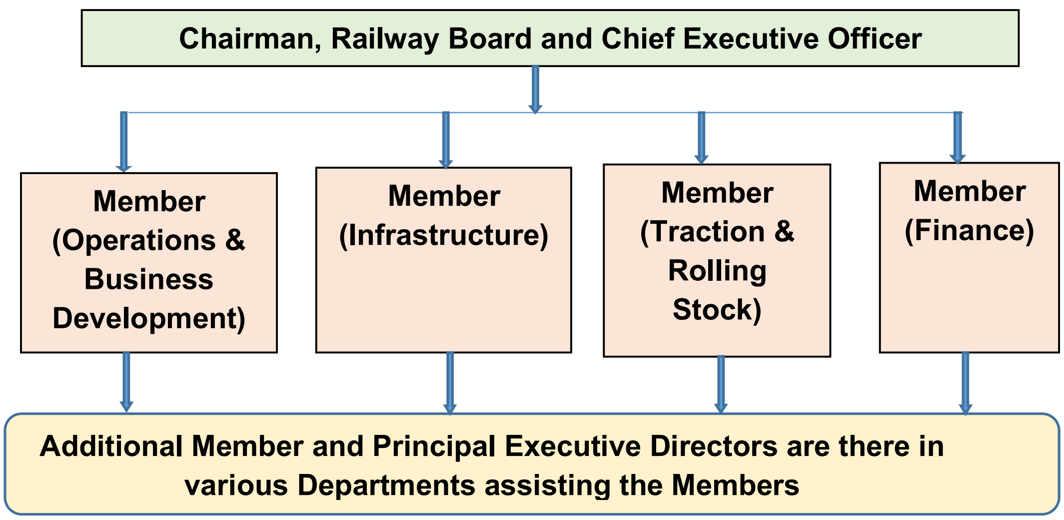
Chapter I – Introduction

Chapter I of the Audit Report gives a brief introduction of the audited entities; recoveries made by Ministry/Department at the instance of Audit; remedial actions taken in response to audit observations made in earlier Reports and summarised position of Action Taken Notes.

1.1 Ministry of Railways

Ministry of Railways (MoR) is headed by a Union Minister for Railways (a Cabinet Minister) and two Ministers of State for Railways. Railway Board, which is the apex body of Indian Railways, reports to the Minister of Railways. The Board is headed by Chairman, Railway Board & Chief Executive Officer (CRB-CEO) and has four Members viz. Member (Operations & Business Development), Member (Infrastructure), Member (Traction & Rolling Stock) and Member (Finance). The Board lays down policies on operation and maintenance of train services, and acquisition, construction and maintenance of assets. It monitors implementation of policies and instructions across 17 Zonal Railways. Railway Board also regulates pricing of both passenger fares and freight tariffs. The functional directorates under each Member assist and aid in decision-making and monitoring of railway operations.

The organisational structure of Railway Board (as on 31 March 2023)[1] is as follows:



Member (Operations & Business Development) looks after Traffic Transportation, Coaching, Tourism & Catering, Commercial, Non-Fare

[1] Revised Organisational Structure of Railway Board issued vide MoR's Office Order No. 64 of 2020 dated 8 September 2020

Revenue, Marketing & Business Development and Information Technology.

Member (Infrastructure) looks after Works, Civil Engineering, Bridges, Signal & Telecommunication, Land & Amenities, Station Development and Railway Electrification.

Member (Traction & Rolling Stock) looks after Production Units, Mechanical Workshops, Coaches, Locomotives, Train Sets, Environment and House Keeping, Electrical Maintenance of Coaching Stock, Traction Distribution, Power Supply, Renewable Energy and Material Management.

Member (Finance) is responsible for Accounts, Finance, Budget, Revenue and Statistics & Economics.

A fully integrated financial advice and control system exists at Railway Board headed by the Member (Finance). At Zonal level, finance functions are headed by Principal Financial Adviser (PFA). He is assisted by Financial Adviser & Chief Accounts Officers (FA & CAOs). They are responsible for rendering advice and scrutinising all proposals involving expenditure from the public exchequer.

1.2 Zonal Railways

At the field level, there are 17 Zonal Railways including Metro Railway/Kolkata. In addition, there are specialised organisations *viz.,*

- Research, Designs and Standards Organisation (RDSO), Lucknow for research and standardisation;
- Central Organisation for Modernisation of Workshops (COFMOW) for procurement of specialised machinery;
- Locomotive manufacturing units- Banaras Locomotive Works (BLW) at Varanasi, Chittaranjan Locomotive Works (CLW) at Chittaranjan and Patiala Locomotive Works (PLW) at Patiala; and
- Coach Factories at Kapurthala, Raebareli and Perambur, Rail & Wheel Factory at Yelahanka and Rail Wheel Plant at Bela.

Zonal Railway-wise total track kilometers and number of stations and Divisions under their jurisdiction as on 31 March 2023 are indicated in **Table 1.1.**

Table 1.1: Zonal Railway-wise Total Track Kilometers and number of Stations and Divisions under their jurisdiction as on 31 March 2023

Sl. No.	Zonal Railways (Establishment Year)	Total Track KMs	No. of Stations	Divisions
1	**Central (1951)**	9,392	536	Mumbai, Bhusawal, Pune, Solapur, Nagpur
2	**Southern (1951)**	9,446	541	Chennai, Tiruchirapalli, Madurai, Palakkad, Salem, Thiruvananthapuram
3	**Western (1951)**	10,914	687	Mumbai Central, Ratlam, Ahmedabad, Rajkot, Bhavnagar, Vadodara
4	**Eastern (1952)**	7,548	369	Howrah, Sealdah, Asansol, Malda
5	**North Eastern (1952)**	5,431	314	Izzatnagar, Lucknow, Varanasi
6	**Northern (1952)**	13,742	744	Delhi, Ambala, Firozpur, Lucknow, Moradabad
7	**South Eastern (1955)**	6,531	364	Adra, Chakradharpur, Kharagpur, Ranchi
8	**Northeast Frontier (1958)**	6,920	439	Alipurduar, Katihar, Rangia, Lumding, Tinsukia
9	**South Central (1966)**	11,817	729	Secunderabad, Hyderabad, Guntakal, Guntur, Nanded, Vijayawada
10	**South East Central (1998)**	5,603	272	Bilaspur, Raipur, Nagpur
11	**East Central (2002)**	9,000	533	Danapur, Dhanbad, Pt. Deen Dayal Upadhayaya, Samastipur, Sonpur
12	**North Western (2002)**	8,488	498	Jaipur, Ajmer, Bikaner, Jodhpur
13	**East Coast (2003)**	6,751	304	Khurda Road, Sambalpur, Visakhapatnam
14	**North Central (2003)**	6,952	313	Prayagraj, Agra, Jhansi
15	**South Western (2003)**	6,515	300	Hubli, Bengaluru, Mysore
16	**West Central (2003)**	7,142	397	Jabalpur, Bhopal, Kota
17	**Metro Kolkata (2009)**	118	24	Kolkata
Total		**1,32,310**	**7,364**	

***Source:** Indian Railways Year Book 2022-23 and Indian Railways Annual Statistical Statement 2022-23.*

1.3 Audited Entity Profile

Indian Railways is a multi-gauge, multi-traction system with a total route length of 68,584 km (as on 31 March 2023). Some important statistics[2] regarding route/track length in Indian Railways are indicated in **Table 1.2**.

Table 1.2: Important statistics regarding route/track length in Indian Railways

Sl. No.	Particulars	Broad Gauge (1,676 mm)	Meter Gauge (1,000 mm)	Narrow Gauge (762/610 mm)	Total
1	Route Km[3]	65,977	1,345	1,262	68,584
2	Track Km[4]	1,29,510	1,410	1,390	1,32,310
3	Electrified Route Km	58,074	-	-	58,074

Source: Indian Railways Year Book and Indian Railways Annual Report and Accounts 2022-23.

During 2022-23 Indian Railways ran 12,541 passenger trains and 10,388 goods trains every day. It carried 17.52 million passengers and 4.14 million tonnes freight each day. As on 31 March 2023, Indian Railways had 11.90 lakh workforce and maintained the following infrastructural assets and rolling stock as indicated in **Table 1.3**.

Table 1.3: Infrastructural assets and rolling stock in Indian Railways

Sl. No.	Infrastructural assets/Rolling stock	Numbers
1	Stations	7,364
2	Locomotives	14,360
3	Coaching Vehicles	88,920
4	Freight Wagons	3,15,791

Source: Indian Railway Year Book 2022-23.

In addition, Human Resources, Safety, Security, Health, Planning, Infrastructure, Vigilance, Efficiency & Research, Public Relations, Heritage, Transformation Cell and Corporate Co-ordination are the Directorates that report directly to the CRB-CEO. These Directorates are headed by Additional Members and Principal Executive Directors.

[2] **Source: Indian Railways Year Book 2022-23.**

[3] **The distance between two points on the Railway irrespective of the number of lines connecting them, whether single line, double line *etc.***

[4] **Length of all running tracks and tracks in sidings, yards *etc.***

1.4 Authority for Audit

The authority for CAG's audit is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) (DPC) Act, 1971. Audit of expenditure and receipts of Ministry of Railways (MoR) and its Autonomous Bodies is conducted under Section 13, Section 16 and Section 20 (1) of the CAG's (DPC) Act respectively.

1.5 Audit Planning

Selection of the units for audit of the Railways is planned on the basis of a risk assessment. The risk is assessed based on the level of budget planned, resources allocated and deployed, extent of compliance with internal controls, scope of delegation of powers, sensitivity and criticality of function/activity, external environment factors *etc.,* previous audit findings, Public Accounts Committee (PAC)'s recommendation and action taken by MoR. Media reports, where relevant, are also considered. Based on such risk assessment, test audit of 5,255 entities/units of the Railways was conducted during 2022-23.

The Audit Plan focused on selected issues of significant nature in terms of policy and its implementation. These included operations, freight traffic, earnings, infrastructure development, passenger amenities, asset management, material management and safety works. Each Audit Report brings out important audit findings and conclusions followed by audit recommendations to help improve systems and strengthen internal control mechanism in Railways.

1.6 Audit Procedure and Reporting

Audits of relevant topics were conducted across the 17 Zonal Railways including field units, as well as records and documents of Railway Board. Appropriate audit samples from the population were selected so as to adequately cover the issues under study. The audit findings were issued to the respective Zonal Managements and six weeks time was given by Audit for their response. Audit findings were either settled or further action for compliance was advised depending upon the action taken. Important audit observations, not complied with, were followed up through Draft Paragraphs addressed to the General Managers of Zonal Railways. Copies of Draft Paragraphs were endorsed to the FA & CAOs and Heads of the Departments for reply within the prescribed period of six weeks. Selected issues were taken up as Provisional Paragraphs and issued to MoR for eliciting their reply before inclusion in the Audit Report.

1.7 Structure of the Report

This Audit Report comprises results of scrutiny of important financial transactions relating to expenditure, receipts, assets and liabilities of the units under the control of MoR. This includes examination of the adequacy, legality, transparency and effectiveness of the relevant rules to maintain and ensure control mechanism over public expenditure. The effectiveness of the rules to safeguard against misuse, waste and losses were also examined.

This Report contains four Chapters. Chapter I is introductory in nature and covers issues of cross-cutting nature. The other three Chapters relate to the core functional areas of the three Railway Board Members (Operations & Business Development, Infrastructure and Traction & Rolling Stock). The Report presents audit findings of significant materiality which are intended to aid the Executive in taking corrective actions for better performance and financial management.

Twenty-five individual paragraphs covering audit findings of respective Zonal Railways are presented in Chapters II to IV of this Report.

1.8 Response of the Ministry/Departments to Provisional Paragraphs

As per the recommendation of the Public Accounts Committee, Ministry of Finance issued (June 1960) directions to all Ministries to send their response to the draft audit paragraphs within a time limit of six weeks.

This Report consists of 25 Provisional Paragraphs, which were issued to MoR[5]. At the end of July 2024, MoR's replies were received in respect of seven Provisional Paragraphs. Replies received were duly considered and suitably incorporated in this Audit Report. The response in respect of remaining Provisional Paragraphs (18 nos.) was awaited from MoR.

1.9 Recoveries at the instance of Audit

Audit had pointed out cases of undercharges/overpayments of ₹ 466.82 crore in 17 Zonal Railways during the year 2022-23. This included undercharges in realisation of freight and other earnings, over payments to staff and other agencies, non-recovery of dues of the Railways *etc.*

[5] **CRB-CEO, Members concerned and Member (Finance).**

During the past six years, ₹ 1211.52 crore had been recovered/accepted for recovery by the Railways at the instance of Audit, as detailed in **Table 1.4.**

Table 1.4: Recovery at the instance of Audit during 2017-18 to 2022-23

Sl. No.	Year	Amount recovered/accepted for recovery (₹ in crore)
1	2017-18	193.13
2	2018-19	132.51
3	2019-20	81.99
4	2020-21	114.27
5	2021-22	222.80
6	2022-23	466.82
Total		**1,211.52**

***Source:** Previous Audit Reports (2017-18 to 2021-22). For 2022-23, as per statement in respect of recoveries effected at the instance of Audit for the year 2022-23.*

During 2022-23, an amount of ₹ 466.82 crore was accepted for recovery by various Zonal Railways and other field units. Of this, ₹ 240.24 crore was recovered and ₹ 226.58 crore was agreed to be recovered by the Zonal Railways. Ten Zonal Railways accounted for recoveries exceeding ₹ 10 crore each[6]. Out of ₹ 466.82 crore, ₹ 47.40 crore pertained to transactions already checked by Railways' Accounts Department and ₹ 404.83 crore pertained to other than those checked by Accounts Department. As a result of further review carried out by Accounts Department, another ₹ 14.59 crore was recovered/agreed to be recovered by the Zonal Railways.

1.10 Remedial action on Audit Paragraphs included in the Audit Reports

As per the Public Accounts Committee (PAC) recommendations[7], Ministry/Departments of the Government of India should furnish corrective/remedial Action Taken Note (ATN) on all paragraphs raised in

[6] **NWR (₹ 11.86 crore), NFR (₹ 10.97 crore), WR (₹ 52.85 crore), ER (₹ 34.80 crore), RPU (₹ 46.03 crore), NER (₹ 88.90 crore), SR (₹ 13.65 crore), ECR (₹ 123.97 crore), SCR (₹ 35.22 crore) and NR (₹ 14.75 crore).**

[7] **Ninth Report (Eleventh Lok Sabha) presented to the Parliament on 22 April 1997.**

the Audit Reports within four months after laying of the Report in the Parliament.

On the Audit Paragraphs selected by PAC, discussions/oral evidence is taken by PAC. After the oral evidence, PAC issue Reports containing their observations/recommendations on which action is to be taken by the Ministry. The Action Taken Reports (ATRs) on the PAC Reports are submitted by the Ministry to the PAC after audit vetting.

During the period (01 January 2024[8] to 31 July 2024), the total number of ATNs processed was 48 and the status of pending ATNs as on 31 July 2024 is given in **Annexure 1.1**.

Some of the important cases, where MoR had made appropriate changes and issued instructions for streamlining their internal processes are illustrated in **Table 1.5.**

Table 1.5: Important cases where MoR had made appropriate changes and issued instructions

Para No./Report No.	Audit Observations/ Recommendations	Action taken by Railways
Para No. 2.9 of Report No. 19 of 2019 - Loss of revenue due to non-realization of empty haulage charges and stabling charges for the flat wagons owned by CONCOR.	Northern Railway did not follow Railway Board's instructions regarding levy of empty haulage charges and stabling charges for flat wagons of container operators. Consequently, Railways suffered a loss of revenue of ₹ 5.72 crore.	Northern Railway has collected all the due charges (₹ 11.42 crore) of total 96 Nos. of flat empty stabled wagons/rakes at Khanalampura Marshalling yard as Empty Haulage and Stabling Charges including other charges between the Audit period October 2008 to September 2014. This amount includes the Empty Haulage Charges of ₹ 4.81 crore and Stabling Charges of ₹ 6.61 crore including other charges also.

[8] **ATNs status upto 31 December 2023 given in Compliance Audit Report No. 4 of 2024.**

Para No./Report No.	Audit Observations/ Recommendations	Action taken by Railways
Para No. 3.11 of Report No. 22 of 2021 - Failure to implement Ministry of Railway's orders resulted in damage to railway cables.	South Eastern Railway (SER) and West Central Railway (WCR) Administrations failed to ensure the conditions stipulated in Joint Procedure Order-2013 related to digging work in vicinity of Signalling, Electrical & Telecommunication Cable. As a result, the Zonal Administrations could not impose penalty amounting to ₹ 7.11 crore on contractors in total 537 cases of cable cuts.	Ministry of Railways stated that as of 31st March, 2023 total penalty recovered is ₹ 1.33 crore (SER- ₹ 0.21 crore and WCR- ₹ 1.12 crore). While Zonal Railways are making efforts to recover the penalties, it is informed that it may not be possible to recover penalties in all the cases because of partial implementation of Joint Procedure Order (JPO). However, so as to ensure that such incidents do not occur in future, Civil Engineering Department has issued instructions vide its letter No. 2023/CE-I/EDCE(G)/Misc dated 18 April 2023 to Zonal Railways to make the provisions contained in the JPO to be included in all the tender documents for works requiring digging close to Railway signalling, telecom, electrical, etc. cables so as to bind them legally for ensuring recoveries from the contractors. This will enable Zonal Railways to recover penalties in case of cable cut incidents because of careless working on the part of contractors.

Para No./Report No.	Audit Observations/ Recommendations	Action taken by Railways
Para No. 2.9 of Report No. 5 of 2021 - Non-levy and short levy of Service Tax on renting of space to vending contractors.	Divisional Railway Authorities failed to levy/collect Service Tax on renting of space for installing stalls at various stations in four Zonal Railways (Northern Railway, South Eastern Railway, North Eastern Railway and East Central Railway). This resulted in liability of ₹ 7.88 crore towards Service Tax along with penalties payable to Revenue Authorities. This constitutes an unwarranted expense.	Ministry of Railways has agreed with the Audit Conclusion and accepted that the failure to collect Service Tax on renting of space to vending contractors was due to non-provision of Service Tax on License Fee (which is collected on yearly basis) in the Tender Document or Master License Agreement (MLA) between licensees and Indian Railways. MoR has been taken following remedial action in this regard: I. Instructions issued regarding Goods and Service Tax (GST) are being implemented. II. Clause/provision of GST have been applied in all running agreements. Licensees are paying GST accordingly.
Para No. 4.4 of Report No. 22 of 2021 - Short deduction of Income tax at source from contractor and discrepancies in payment to contractor.	Payment of ₹ 18.66 crore was made to a contractor on PAN number of another firm which had not entered into any agreement with the Railway Administration. As a result, there was short deduction of income tax of ₹ 3.24 crore.	After the matter was taken up by Audit, East Central Railway has decided to hand the matter over to Vigilance for detailed enquiry and subsequent action.

Para No./Report No.	Audit Observations/ Recommendations	Action taken by Railways
Para No. 2.6 of Report No. 25 of 2022 - Short recovery of license fees for Railway Mail Services (RMS).	Inaction on the part of Western Railway Administration to periodically revise land license fees for Railway Mail Services (RMS) facilities granted to Department of Posts in terms of Railway Board directives has resulted in short recovery amounting to ₹ 16.19 crore.	MoR stated that Railway administration has raised the bills duly vetted by associate finance. The matter is being followed up by Ministry of Railways with Department of Post.

1.11 Acknowledgement

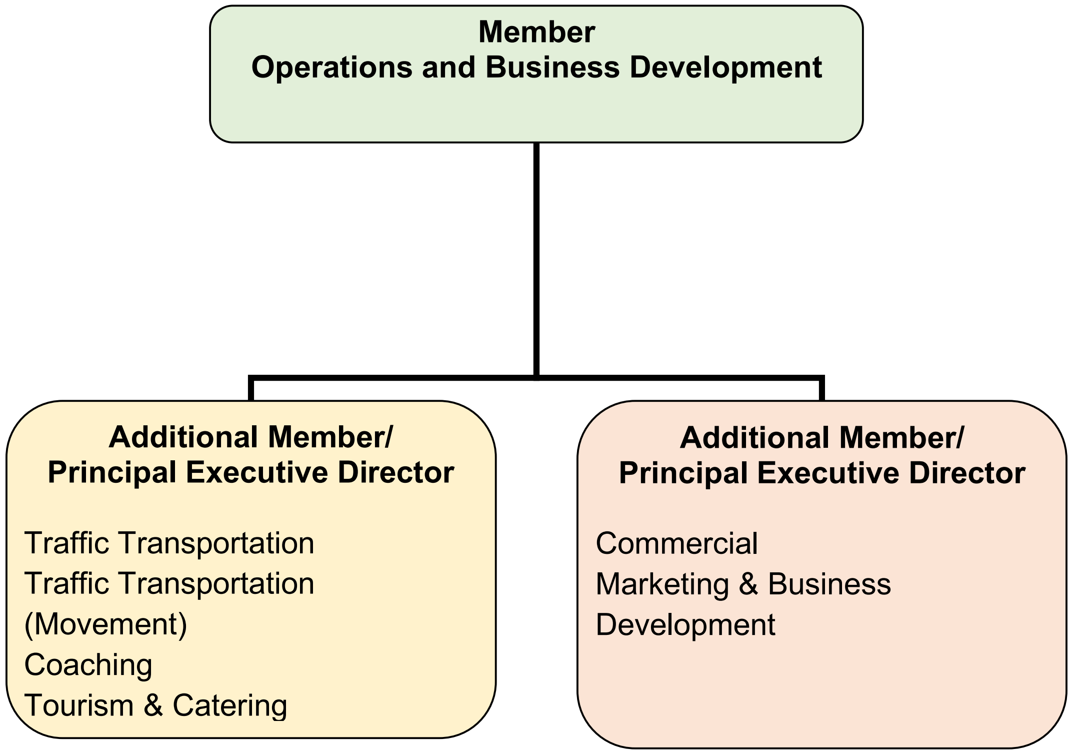
The co-operation extended by the Ministry of Railways and Zonal Railways during the course of audit is acknowledged.

CHAPTER II: OPERATIONS AND BUSINESS DEVELOPMENT

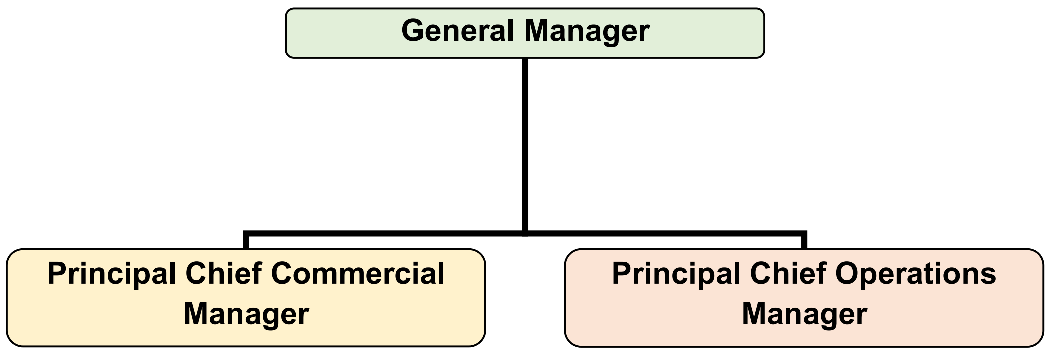
Chapter II – Operations and Business Development

Member (Operations and Business Development) at Railway Board[9] is assisted by Additional Members/Principal Executive Directors for fulfilling his responsibilities.

Railway Board Level



Zonal level



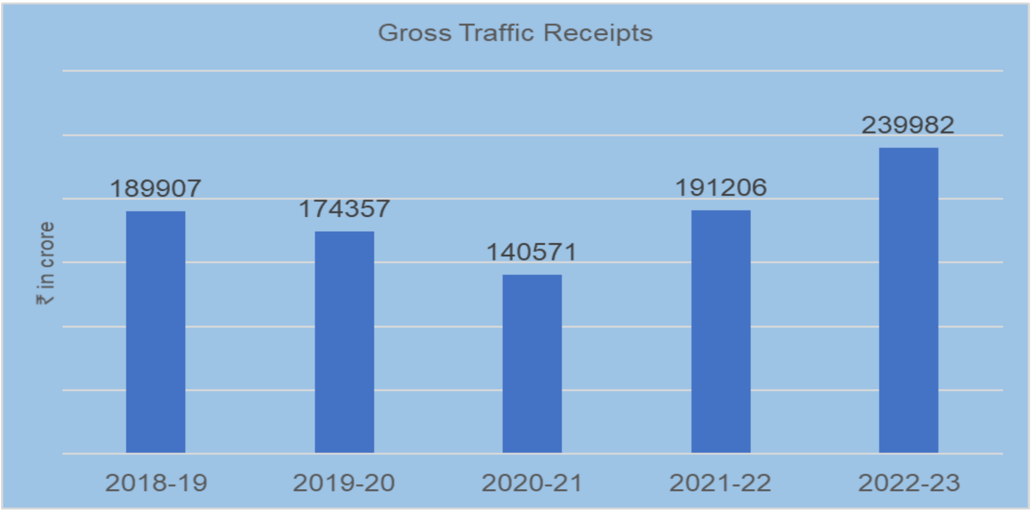
At the Zonal level, the Traffic Department has two departments, viz. Operating and Commercial. These are headed by Principal Chief Operations Manager (PCOM) and Principal Chief Commercial Manager (PCCM) respectively, who work under the overall supervision of General

[9] Revised Organisational Structure of Railway Board issued vide MoR's Office Order No.64 of 2020 dated 8 September 2020.

Manager (GM) of the Zonal Railway. At the divisional level, the Operating and Commercial Departments are headed by Senior Divisional Operations Manager (Sr. DOM) and Senior Divisional Commercial Manager (Sr. DCM) respectively, who report to Divisional Railway Manager (DRM) of the concerned Division.

The total traffic operating expenses during the year 2022-23 was ₹37,324.41 crore[10]. Total gross traffic receipts during the year was ₹2,39,982.56 crore[11]. A comparative graph of gross traffic receipts for the last five years is shown below:

Fig. 2.1: Gross Traffic Receipts for the last five years



Source: Previous Audit Reports (2018-19 to 2021-22). For 2022-23, as per Indian Railways Annual Report and Accounts 2022-23.

During 2022-23, the annual growth rate of passenger originating increased by 81.76 *per cent*[12] over the previous year. However, it failed to achieve the pre-Covid level. Passenger earnings in 2022-23 increased by 61.72 *per cent*[13] as compared to the previous year. In 2022-23, freight loading increased by 6.58 *per cent*[14]. The freight earnings increased by

[10] Sub Major Head 3002-3003 (07)- Operating Expenses - Traffic in 2022-23.

[11] Includes Passenger Earnings- ₹ 63,416.85 crore, Freight Earnings- ₹ 1,62,262.90 crore, Other Coaching Earnings- ₹ 5,958.32 crore and Sundry Earnings- ₹ 8,498.60 crore, Clearance from Traffic Outstanding (Suspense)- (-) ₹ 154.11 crore.

[12] Indian Railways carried 6,395.76 million passengers during 2022-23 as against 3,518.83 million passengers in the previous year. The number of passengers carried in 2018-19 and 2019-20 were 8439.06 million and 8085.74 million respectively.

[13] ₹ 39,214.39 crore in 2021-22 and ₹ 63,416.85 crore in 2022-23.

[14] 1415.87 million tonne in 2021-22 and 1509.10 million tonne in 2022-23.

15 *per cent*[15] as compared to the previous year. Sundry earnings in 2022-23 increased by 40.05 *per cent* from ₹ 6,068 crore to ₹ 8,498.60 crore when compared to the previous year.

During the year, apart from regular audit of vouchers, tenders, *etc*., 1,191 offices of the Commercial and Operating Departments were audited.

This Chapter includes seven individual paragraphs discussing compliance issues in the implementation of rules and regulations on Passenger and Freight Business in Indian Railways.

2.1 Non-realisation of shunting charges: East Central Railway

Non-levy of shunting charges for shunting activity by using railway engines at Bina siding (BCSK) of East Central Railway resulted in non-realisation of ₹ 50.77 crore from the siding owner during the period from April 2020 to March 2023.

Ministry of Railways (MoR) issued a consolidated and revised instruction regarding shunting charge vide Rate Circular No. 14 of 2009. As per the circular, shunting charge is leviable for utilisation of Railway's locomotive to perform shunting operation at a siding, irrespective of the fact whether the siding is notified for charging of freight on through distance basis[16] or otherwise. The charge should be levied on the basis of actual shunting time and prevailing 'All India Engine Hour Cost (AIEHC)' for 'Train Engine' or 'Shunting Engine', as the case may be. The circular further stipulates that in sidings where train engine is used for shunting on customers' account, shunting charge should be calculated for the total time of availability of the train engine within the siding from arrival to departure, even if shunting time is less than the total time during which train engine is available within the siding.

Scrutiny (August 2023) of the Daily Supply/Summary Register (DSR) maintained at Bina Private Siding (BCSK) under Dhanbad Division of East Central Railway (ECR) revealed that freight on coal was charged on through distance basis during the period April 2020 to March 2023. It was further noticed that the train engine remained in on-position during the entire process of loading by pulling and pushing of rakes in BOXN/BOBRN wagons. To perform these shunting activities, train engines were detained inside the siding for a total of 32,681 hours during this period but the Railway Administration did not raise shunting charges

---

[15] **₹ 1,41,096.39 crore in 2021-22 and ₹ 1,62,262.90 crore in 2022-23.**

[16] **Freight from the originating station to the end point in the siding.**

bill for shunting of 2,670 rakes for 32,681 hours during the period from April 2020 to March 2023. This resulted in non-realisation of shunting charges of ₹ 50.77 crore from the siding owner of Bina Private Siding (BCSK) ***(Annexure- 2.1)***.

The matter was taken up with East Central Railway Administration in September 2023. In their reply (January 2024), it was stated that clarification about levy of shunting charges in the situation was sought (November and December 2023) in respect of Bina siding from the Railway Board. Railway Board clarified (January 2024) that shunting means movement of a vehicle or vehicles with or without an engine or of any engine or any other self-propelled vehicle for the purpose of attaching, detaching or transfer or for any other purpose. Use of locomotive for movement of rake for loading is shunting activity and shunting charge should be realised from the siding owner. Accordingly, shunting charges are now being levied w.e.f. October 2023 and an amount of ₹ 1.01 crore has been realised on this account for the period from October 2023 to February 2024. It was further stated that assessment of shunting charges is under process for the earlier period.

Thus, the Railway Administration has agreed with the audit contention regarding applicability of shunting charges in respect of BCSK. While the outstanding shunting charges of ₹ 50.77 crore pointed out by Audit for the period from April 2020 to March 2023 have to be recovered, the additional amount recoverable for the period from April 2023 to September 2023 and the period prior to April 2020 also have to be worked out and realised by the Railway Administration.

The matter was referred to MoR in April 2024; no reply was received (July 2024).

Recommendation:

Railway Administration should ensure that similar omission is not occurring in respect of other sidings resulting in non-realisation of shunting charges.

2.2 Loss due to inaction on proposals relating to operation of train with poor patronage: South Western Railway

Even after poor patronage of an express train between Satya Sai Prasanthi Nilayam (SSPN) station and KSR Bengaluru City (SBC) station, which was repeatedly reported by Bengaluru (SBC) Division, South Western Railway (SWR) continued its operation. This resulted in loss of ₹ 17.47 crore on its running during the period from 2017-18 to 2022-23.

Ministry of Railways (MoR) in June 2005 prescribed certain criteria for short listing of trains for proposed cancellation which *inter alia* stated that if the earning potential (both reserved and unreserved accommodation) was below 30 *per cent* on an average for the whole year in both directions, the Zonal Railways can short list such trains for cancellation and forward the proposal to Railway Board for final decision.

During review (November and December 2022) of records of Operating Department of Bengaluru Division (SBC), Audit observed that Train No. 12691/12692 is being operated between Chennai Central (MAS) station and Sri Satya Sai Prasanthi Nilayam (SSPN) station via KSR Bengaluru (SBC) station (To and Fro). Due to poor patronage of the train between SBC station and SSPN station in both directions, Operating Branch of SBC Division submitted the following proposals to Zonal Headquarters/SWR:

(i) To avoid bunching of trains and loco reversal at SBC station, running the above train via Krishnarajapuram (KJM)–Channasandra (CSDR)–Yelahanka (YNK) without touching SBC station (December 2016),

(ii) Partial cancellation[17] of train between SSPN station and SBC station in both directions due to running with less than 30 *per cent* occupancy (January 2017),

(iii) To divert the train via the newly commissioned Chik Banavar (BAW)–Hassan (HAS) line (February 2018); and

(iv) Either to extend the train upto Mysuru (MYS) (on other route from SBC) or to short terminate/originate the train at/from Bengaluru Cantonment (BNC) (May 2022).

---

[17] **Partial cancellation means terminating a train in an intermediate station instead of running the train upto the original destination station.**

However, none of the above proposals was implemented and the train continues to run (October 2023) with poor patronage between SBC station and SSPN station (To and Fro). Audit further examined the occupancy of the train between SSPN station and SBC station (To and Fro) for the period from April 2017 to March 2023[18] and it was observed that the occupancy of the train throughout the above period was less than 2 *per cent*. The operational cost of the train was huge and the loss on account of running the train between these stations was to the tune of ₹ 17.47 crore during this period.

The matter was brought to the notice of Railway Administration in February/May 2023. In their reply (March 2023), Zonal Railway Administration reiterated the proposals which had been submitted by Operating Department of SBC Division from December 2016 to May 2022. It further stated that as the above train is a Time Tabled train, *suo-motu* action for terminating it at BNC station cannot be taken by the Zonal Railway without approval of MoR. The proposal for terminating the train at BNC station has been sent to MoR in June 2022 and approval for the same is still awaited.

The reply of Zonal Railway Administration indicates a collective failure. It shows that although the problem was highlighted by the SBC Division in December 2016 but the Zonal Railway Administration brought this issue to the notice of MoR only after six years. Further, even after a lapse of over one year after submission of the proposal by Zonal Railway, a final decision on the same is yet to be taken by MoR.

Thus, even after identifying the poor patronage of the express Train No. 12691/12692 between SSPN station and SBC station and proposals by the Operating Branch of SBC Division to avoid loss, no decision has been taken by MoR and the train is still running (October 2023). This has resulted in loss of ₹ 17.47 crore on its running during the period from 2017-18 to 2022-23. The loss would continue till a final decision on its operation is taken by MoR.

The matter was referred to MoR in February 2024; no reply was received (July 2024).

Recommendations:

- ***Ministry of Railways should review the operation of the train in light of the suggestions made by SBC Division and SWR Zone and take an appropriate decision.***

---

[18] **Excluding the period of suspension of train services due to COVID-19.**

- ***The delay on the part of the Zonal Railway in bringing the issue to the notice of MoR may be examined and responsibility fixed.***

2.3 Loss of revenue due to non/delayed upgradation of routes: Western Railway

Ministry of Railways permitted freight loading of CC+8[19] tonne axle load on origin-destination pairs over routes where the CC+6/CC+4 stretches were within 10 *per cent* of the total distance of route, by putting suitable speed restrictions till conversion of such stretches into CC+8. These directives were implemented in Western Railway in three such routes after a delay of more than two years which led to less loading of commodity of 51,453 tonnes in rakes resulting in revenue loss of ₹ 6.17 crore during the period from June 2021 to September 2023. In one other such route, these directives were yet to be implemented. As a result, 23,817 tonnes of commodity could not be loaded in rakes resulting in loss of revenue of ₹ 6.45 crore during the period from April 2022 to September 2023.

Ministry of Railways' (MoR) Rates Master Circular of May 2020[20] on Permissible Carrying Capacity (PCC) of wagons/CC+8 routes, *etc*. stipulates that "in case when traffic is booked via routes which involve two or more of different routes viz. excepted CC+6 routes, universalised CC+6 routes, CC+8 routes, *etc*., the chargeable weight will be the PCC of the route for which PCC is most restrictive". The PCC of various types of wagons for these routes were notified in the above Rates Master Circular for different routes.

In view of the adverse impact of CC+6/CC+4[21] stretches on freight loading and revenue of Indian Railways, MoR instructed (November 2020)[22] Zonal Railways that all CC+6 stretches which are in isolation should be converted to CC+8 routes on a war footing. Till such time the conversion to CC+8 is completed, permission may be granted for loading with PCC of CC+8 on such origin-destination (OD) pairs where the CC+6/CC+4 stretches are very few (within 10 *per cent* of the total

[19] CC+8 is a category of route notified by Ministry of Railways having different Permissible Carrying Capacity (PCC) - commodity-wise for different types of wagons.

[20] MOR's letter No. TCR/1394/2019/1 dated 01 May 2020.

[21] Carrying Capacity of wagons in CC+6 route is two/one tonne less than that in CC+8 route.

[22] MOR's letter No. 2020/TT-I/S/27/9 dated 17 November 2020.

distance) by putting suitable speed restrictions on such loads over these CC+6/CC+4 stretches. Further, Zonal Railways were also instructed to identify such routes and suggest appropriate speed restrictions on the CC+6/CC+4 stretches by 25 November 2020 for notification of running of CC+8 tonnes loaded trains.

During review (December 2022 and September 2023) of records/Freight Operation Information System (FOIS) data, Audit observed that in four Origin-Destination (OD) pairs viz. WCSG[23]-WCNA[24], WPA[25]-APJG[26], MAPD[27]-APJG and WPA-FGTP[28] where CC+6 stretch was ranging between 0.05 *per cent* to 7.47 *per cent* of the total route length, MoR's directives of November 2020 were implemented with delay of more than two years in three OD pairs of WCSG-WCNA (14/12/2023), WPA-APJG (5/3/2024) and MAPD-APJG (5/3/2024) due to oversight and lack of concerted efforts by Zonal Railways. This led to loading of less commodity than the PCC of CC+8 route to the extent of one/two tonnes per wagon in 450 rakes. Had these directives been implemented timely, Railways could have facilitated its customers for loading an additional 51,453 tonnes of commodity in 450 rakes and earned revenue of ₹ 6.17 crore from June 2021 to September 2023. Further, in case of OD pair of WPA-FGTP, the route is yet (July 2024) to be notified as CC+8. As a result, loading and revenue generation was as per CC+6 norms, resulting in 23,817 tonnes of commodity not being loaded in 237 rakes translating to loss of revenue of ₹ 6.45 crore during the period from April 2022 to September 2023, as detailed in ***Annexure- 2.2***.

The matter was taken up with Western Railway Administration in October 2023. In their reply (April 2024), it was stated that in case of OD pair of WCSG-WCNA, a small CC+6 stretch of 3.48 Kms. length from Nardana (NDN) to WCNA siding could not be notified as CC+8 route due to oversight during the Covid period which restricted office functioning till February 2022. However, after detecting the irregularity, the above stretch had been notified as CC+8 with effect from 14 December 2023. In respect of OD pairs of WPA-FGTP, WPA-APJG and MAPD-APJG, it

---

[23] **WCSG- Wonder Cement Siding of Western Railway.**

[24] **WCNA- M/s Wonder Cement Limited (taking off from Nardana) of Western Railway.**

[25] **WPA- West Port Siding of Western Railway.**

[26] **APJG- M/s Adani Power (Jharkhand) Limited Siding of East Central Railway.**

[27] **MAPD- M/s Adani Petronet (Dahej) Port Limited Siding of Western Railway.**

[28] **FGTP- Feroz Gandhi Thermal Project Siding of Northern Railway.**

was stated that CC+6 stretches[29] in these OD pairs do not pertain to WR and lay under the jurisdiction of Northern Railway (NR) and East Central Railway (ECR).

The Railway Administration's reply was not acceptable. NDN-WCNA was not notified as CC+8 till long after lifting of Covid restrictions and the same was done only after the matter was taken up by Audit in October 2023.

In the case of OD pairs of MAPD-APJG, WPA-APJG and WPA-FGTP, Railway Administration's remarks that CC+6 stretches in these OD pairs lay under the jurisdiction of ECR and NR is not acceptable. As there was loss of revenue to the Railways for traffic originating from Western Railway, they should have taken up the matter with the Zones (ECR and NR) concerned to initiate the required action for notification of these CC+6 stretches as CC+8. The same was done in respect of WPA-APJG and MAPD-APJG in ECR after a delay of eight months. The remaining one such OD pair (WPA-FGTP) in NR is yet to be notified (July 2024).

Thus, due to non-implementation/delay in implementation of MoR's directives, Railways suffered loss of revenue to the tune of ₹ 12.62 crore for the period from June 2021 to September 2023. This loss of revenue will continue until the remaining OD pair of WPA-FGTP is notified as CC+8.

The matter was referred to MoR in July 2024; no reply was received (July 2024).

Recommendation:

MoR may ensure that the Origin-Destination pair of WPA-FGTP is notified as CC+8 route without any further delay. WR may review all routes and confirm that no other such notification is pending.

---

[29] Unnao Junction to Unchahar Junction- 112.13 Kms. under Northern Railway in OD pair WPA-FGTP. Luckeesarai Junction to Kiul Junction- 1.19 Kms. under East Central Railway in OD pairs WPA-APJG and MAPD-APJG.

2.4 Loss of ₹ 11.02 crore to the Railways due to sanction of ineligible STS concession: Southern Railway

To garner additional traffic, concession in freight rates was allowed by the Railways under the Station-to-Station Rates (STS) scheme. Railway Board issued comprehensive guidelines which specifically instructed the Zonal Railways to ensure that this concession results in increased freight traffic and the consignees should not be able to take concession in the name of new traffic by changing the loading point or by diverting the existing traffic. However, Southern Railway Administration sanctioned ineligible concession resulting in loss of ₹ 11.02 crore to the Railways.

The Railways Act, 1989 (Section 32 (a)) provide for quoting 'Station to Station rate' by the Railway Administration in respect of carriage of any commodity, subject to such conditions as may be specified.

To garner more traffic, Ministry of Railways (MoR) issued (September 2016)[30] comprehensive guidelines for grant of concession in freight rates under Station-to-Station Rates (STS) scheme. MoR instructed Zonal Railways (ZR) to ensure that grant of concession under STS should result in overall increase in the NTKM[31] of that station/cluster[32] for that commodity rather than diversion of existing traffic from adjoining areas. Further, MoR also instructed ZR to ensure that the party applying for STS does not avail concession by changing the loading point i.e. if the traffic from a particular station 'A' is shifted by the same customer to station 'B', it should not be treated as new traffic.

The concession was to be granted only on the incremental traffic over and above the benchmark NTKM which is the average NTKMs of corresponding periods of previous 24 months. The concession was to be in the form of percentage discount over the Normal Tariff Rate[33] (NTR) and for attracting incremental volume of traffic, it shall not exceed 30 *per cent*.

---

[30] MoR's Rate Circular No. 26 of 2016.

[31] NTKM is the product of net weight of the loaded commodity and the distance in kilometres over which it is moved.

[32] Stations within close proximity to each other with a maximum distance between any two stations not exceeding 150 km.

[33] NTR refer to the total charges for transport of a commodity inclusive of Base Freight Rate plus demand Management Charges like Busy Season Surcharge, Congestion Charge and Supplementary Charge, as applicable.

Rail users desirous of availing the concession have to apply to the Divisional Railway Manager (DRM) of the Division. The STS proposal has to be verified by the Divisional Empowered Committee (DEC) nominated by DRM. After verification by the DEC, the proposal after being approved by Sr. DCM shall be forwarded by the DRM to Zonal Headquarters for final approval by the General Manager through Chief Commercial Manager, Chief Operations Manager and Financial Adviser & Chief Accounts Officer.

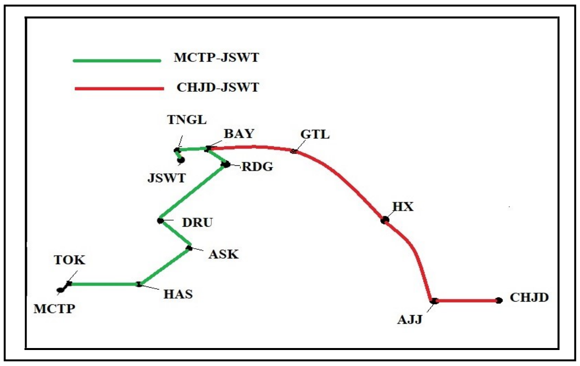
MoR clarified (November 2017) that if a customer offers a new commodity for a station/cluster and if there was no loading of this commodity from that particular station/cluster for the last 24 months, then the benchmark NTKM for this commodity from the said station/cluster becomes 'Zero' and the concession under STS is applicable from the first rake itself. ZRs should ensure that the grant of concession should result in overall increase in the NTKM of that station/cluster for that commodity rather than diversion of existing traffic from the adjoining areas. MoR reiterated (February 2018) that the maximum distance of 150 km may not be adequate when it comes to imported traffic received at ports. That is, even a much longer distance may not be adequate to prevent diversion of imported traffic from one port to another. It was also stated that the spirit behind the policy is that traffic of one station should not be diverted to another station to get the benefit under STS scheme. To prevent diversion of imported traffic from one port to another, ZRs were instructed to take into account the imported traffic at alternative ports/terminals (including those in other Zones) while evaluating STS proposals concerning import traffic.

In Southern Railway (SR), imported limestone, an existing traffic, was regularly booked by M/s JSW Steel Ltd. from Chennai Harbour Jawahar Docks (CHJD) to JSW Limited siding at Tornagallu (JSWT). M/s JSW Steel Limited applied (January 2021) for grant of concession under the STS scheme for handling 1 to 2 MT of limestone/dolomite from Mangalore Port[34] to JSWT and JSW Steel Ltd/siding, Mecheri Road (MCSI).

---

[34] **New Mangalore Port Siding, Panamburu (PNMN), Chettinad Mangalore Coal Terminal Pvt. Ltd., Panamburu (CMCP) [renamed as Mangalore Coal Terminal Pvt. Ltd, Panamburu (MCTP)]**

The Divisional Empowered Committee (DEC) of Palakkad Division considered the proposed traffic as 'New Traffic' and recommended for fixing the benchmark as 'Zero' for the cluster of stations. The proposal for grant of freight concession of 22 *per cent* from PNMN & CMCP to JSWT and 20 *per cent* from PNMN & CMCP to MCSI under Station-to-Station Rates scheme was approved (February 2021) by GM/SR. An agreement in this regard was entered into between M/s JSW Steel Ltd., Tornagallu and Southern Railway for the period from 1/3/2021 to 28/2/2022. During the agreement period, 132 rakes of limestone were transported from CMCP to JSWT and concession amounting to ₹ 11.02 crore was granted to M/s JSW Steel Ltd. M/s JSW Steel Ltd. booked two rakes of limestone traffic from MCTP to MCSI for which no STS concession was claimed.



During scrutiny of files relating to higher axle load, FOIS[35] data and IRPSM[36] data records of the offices of Principal Chief Operations Manager and Principal Chief Engineer (June 2022 and December 2022), Audit noticed the following deficiencies:

- Traffic booking by M/s JSW Steel Limited at CHJD declined by 81 *per cent* in 2021-22 as compared to 2020-21 after commencement of traffic booking from CMCP under STS scheme, as can be seen from **Table 2.1** below:

Table 2.1: Trend of loading of Limestone at CHJD and CMCP

Year	Trend of loading of Limestone at CHJD and CMCP (in Tonnes)	
	CHJD	CMCP
2019-20	4,37,755	0
2020-21	15,23,386	0
2021-22	2,84,104	5,12,330

Source: FOIS data.

---

[35] **FOIS- Freight Operations Information System is a management module for freight trains on Indian Railways.**

[36] **IRPSM- Indian Railways Projects Sanctions & Management) is a Web-based Application that allows Online Creation & Forwarding of 'New Works' proposals alongwith Modifications to 'Works in Progress' from Zonal Railways and PUs to Railway Board for printing of Works Programme, Pink Book and other Sanction books after processing & Sanctions of Projects in Railway Board, Zonal Railways/PUs, Divisions, *etc.***

- Though SR Administration was aware of the existing traffic of imported limestone which was regularly booked by M/s JSW Steel Ltd. from Chennai Harbour Jawahar Docks (CHJD) to JSW Limited siding at Tornagallu (JSWT), the instruction of MoR was not complied for ensuring that the party applying for STS, qualifies for the concession.
- M/s JSW Steel Ltd. in the communication (January 2021) seeking STS concession had clearly specified that the 'quoted volume will be an additional traffic'. However, SR failed to ensure that the concession was allowed on additional traffic, after the benchmark NTKMs was achieved.
- The average NTKMs of limestone traffic offered by M/s JSW Steel Ltd. from CHJD to JSWT during the period from March 2019 to February 2021 was 5,354 lakh. Accordingly, STS concession under STS scheme should have been allowed after the benchmark of 5,354 lakh was achieved by M/s JSW Steel Ltd. However, SR sanctioned concession by considering the benchmark NTKM as 'Zero'.

From the trend of loading of limestone at CHJD and CMCP given in **Table 2.1**, it is evident that the traffic offered for loading from CHJD by M/s JSW Steel Ltd. was shifted to CMCP during 2021-22. The limestone traffic offered by M/s JSW Steel Ltd, from CMCP to JSWT during the agreement period i.e. from 1/3/2021 to 28/2/2022 duly availing the concession of ₹ 11.02 crore was 3,305 lakh NTKMs which was far below the average NTKM of 5,354 lakh achieved by M/s JSW Steel Ltd. for the traffic offered from CHJD to JSWT for the corresponding previous period of two years from March 2019 to February 2021. Thus ineligible concession of ₹ 11.02 crore was granted to M/s JSW Steel Ltd. in violation of the orders of MoR.

The issue was taken up (January and May 2023) with SR Administration. The SR Administration in its reply (July 2023) stated that the party has moved traffic for a longer distance and has paid higher traffic and the traffic at Chettinad Mangalore Coal Terminal Pvt. Ltd., Panamburu (CMCP) would not have materialised if the STS concession was not given. There has been no diversion of traffic, the traffic is new traffic from Mangalore Port and hence was considered with benchmark NTKM as zero. If the concession had not been given the traffic would not have come to SR.

The reply of SR is not tenable as SR was well aware of the existing traffic at CHJD which was within its Zonal jurisdiction. However, they failed to comply with the instruction of MoR to take into account the imported traffic at alternative ports/terminals while evaluating the STS proposal. SR also failed to ensure that the party applying for STS does not qualify for concession in the name of new traffic by changing the loading point or by diverting the existing traffic.

Moreover, M/s JSW Steel Ltd. in its proposal (January 2021) seeking STS concession had clearly specified that the 'Quoted volume will be an additional traffic'. However, SR failed to ensure that the concession was allowed on additional traffic, after the benchmark NTKMs of 5,354 lakh was achieved for the corresponding period of two years (March 2019 to February 2021.

Thus the spirit behind the STS rates policy to garner more traffic while ensuring that traffic of one station was not diverted to another station was defeated resulting in loss of ₹ 11.02 crore to the Railways due to sanction of ineligible STS concession to M/s JSW Steel Ltd.

The matter was referred to MoR in June 2024; no reply was received (July 2024).

Recommendations:

- ***Responsibility may be fixed for allowing the ineligible concession.***
- ***The internal controls may be strengthened to check that concession orders are implemented as per extant instructions.***

2.5 Loss of potential freight earning due to empty haulage of defective wagons: South Eastern Railway

South Eastern Railway supplied unfit/unloadable wagons along with fit wagons to Ultratech Cement Limited Siding at Dhutra and Orissa Cement Limited Siding at Rajgangpur. These defective wagons were allowed to run empty along with fit wagons in the outward rakes for different locations. As a result, South Eastern Railway could not earn potential freight to the tune of ₹ 10.25 crore for these defective empty wagons during 2021-22 and 2022-23.

Para 1501 of Indian Railway Commercial Manual (IRCM) Volume II stipulates that the utilisation of a wagon at less than its full carrying capacity means loss of capacity and consequently loss of output. Para 1506 further stipulates that before commencing to load goods into wagons, care should be taken to see that wagons are not labelled as damaged and are suitable for the traffic to be loaded.

Scrutiny of records[37] (January to March 2023) revealed that South Eastern Railway (SER) supplied unfit and unloadable wagons along with fit/ loadable wagons to Orissa Cement Limited Siding at Rajgangpur (GP) and Ultratech Cement Limited Siding at Dhutra (UCSD). These unfit/ unloadable wagons were allowed to run empty along with loaded wagons as detailed below:

(i) Orissa Cement Ltd. Siding at Rajgangpur (OCIG) renamed as Dalmia Cement Bharat Ltd. Rajgangpur: Test check of data for a period of six months (March to May 2022 and November 2022 to January 2023) revealed that SER supplied 122 rakes containing 6,945 wagons to OCIG siding, out of which 1,459 wagons (21 *per cent*) were defective. It was observed that the number of defective wagons in a rake ranged from two to 28. The defective wagons were rejected by the siding holder due to various defects like door damage, door jam, door missing, roof damage, floor damage, wall damage, *etc*. SER also certified (March 2022 to May 2022 and November 2022 to January 2023) these defective wagons as unfit. Running of these empty wagons for different locations resulted in loss of freight earnings to the tune of ₹9.16 crore[38].

(ii) Ultratech Cement Ltd Siding, Dhutra (UCSD): Test check of records for seven months from June to December 2022 revealed that out of 78 rakes containing 3,644 wagons supplied during the period, 298 wagons (eight *per cent*) were defective. These rakes with empty wagons were dispatched to various destinations for which Railways could not earn potential freight to the tune of ₹ 1.09 crore.

Thus, SER failed to earn potential freight to the tune of ₹ 10.25 crore due to empty running of these defective/unloadable wagons during the period March to May 2022 and November 2022 to January 2023 in respect of OCIG siding and during the period June to December 2022 in respect of UCSD siding.

The matter was taken up with Ministry of Railways (MoR) in February 2024. In its reply (May 2024), MoR stated that the availability of rake against indent is a complex cycle of events. Rakes are made available either after unloading (both from SER unloading points as well as foreign railway unloading points) or after issuance of fresh Brake Power

---

[37] **Outward Register, Rejection Memo, *etc*.**

[38] **Audit has calculated loss on the basis of actual freight which could have been earned on the unloaded damaged wagons based on Rates Master Circular/PCC/2019/0 dated 16 May 2019.**

Certificate (BPC) from SER/Foreign maintenance points. In case of issuance of fresh BPC, wagons rendered unsuitable for loading are replaced with fit wagons. However, in all other cases where the BPC of a rake is still valid and can be utilised for re-loading, the rake is placed for loading based on its validity of safe running as per BPC and Guard Driver Report (GDR) certificate. In all such cases, feasibility and loading ability of a wagon is not adjudged. There is another possibility that the rakes supplied were having a greater number of wagons than the indent and therefore, only the required number wagons were loaded. However, since indents cannot be traced from Freight Operations Information System (FOIS), the exact rake-wise status cannot be furnished. Whenever wagons supplied were more in number compared to the indent, the reason for not loading was due to excess supply against indent and not unsuitability of the wagon. The loss in freight earnings derived by Audit is notional and not actual.

The above reply of MoR is not acceptable. In case of supply of unsuitable wagons by foreign railway, the issue of high rejection of wagons should have been taken up with the concerned zonal railway at an appropriate level, since such rejection of wagons would have impacted the overall revenue earnings of Indian Railways. Further, Paras 1501 and 1506 of IRCM stipulate that the utilisation of a wagon at less than its full carrying capacity means loss of capacity and consequently loss of output. Before commencing to load goods into wagons, care should be taken to see that wagons are not labelled as damaged and are suitable for the traffic to be loaded. However, SER could not supply fit wagons to the customers and ultimately, the unfit wagons were rejected by the party and were run empty with the fit wagons.

In the cases commented in audit the number of wagons indented and supplied was the same and there was no case of excess supply than indented. Hence, the question of rest wagons left as embedded empties does not arise. The position indicated in audit was compiled on the basis of base records maintained at the field level and also certified by the concerned Railway officials *viz.* Station Manager, Rajgangpur and Chief Goods Supervisor, Rajgangpur.

Recommendation:

Railways may ensure supply of only fit wagons so as to avoid loss of freight earnings due to empty haulage of defective wagons.

2.6 Failure of Railway Administration in timely supply of rakes against premium indent resulted in potential loss of premium charges: West Central Railway

Railway Administration failed to implement Railway Board's Policy by not supplying rakes to the parties against premium indents resulting in potential loss of premium charges amounting to ₹ 6.16 crore.

Ministry of Railways (MoR) issued guidelines (December 2020) regarding premium indent by inserting an additional Para 201 (21) in Chapter-II of Goods Tariff No. 41 Part-I (Vol.-I) which *inter alia* stipulated the following:

i) The scheme shall be optional.

ii) In sidings, the customer can indicate a date of supply of rakes and indicate whether he will load if the rake is supplied after the due date on normal tariff rate.

iii) The customer shall be required to pay five *per cent* premium on normal freight which shall be deposited in advance. If the rake is supplied later than the indicated date on the indent, the premium paid will be adjusted against the normal freight. In the Goods shed also, the customer will be permitted to place premium indent. The customer will get priority for allocation on two days notified under Preferential Traffic Order issued by Traffic Transportation Directorate of Railway Board from time to time.

iv) Premium indent once placed cannot be withdrawn; withdrawal of the indent shall invite forfeiture of the premium paid.

v) This premium indent policy will not be applicable to restricted destinations and destinations regulated by quota.

MoR clarified (11 February 2021) that premium indent is applicable on all seven days of a week in case of sidings and on two days in a week (Monday and Friday) in case of Goods shed. MoR further decided (March 2021) that premium indent will stand cancelled and premium amount shall be refunded in case the rake is not supplied to the customer on the requested date, except in case where stacking permission has been granted.

The rate of premium charge was revised[39] (February 2021) to 15 *per cent* on normal freight till further advice.

During inspection (May 2023) of Banapura (BPF), Itarsi (ET), Harda (HD) and Timarni (TBN) Goods shed, it was noticed that against 131 premium indents for various destinations[40] during the period from January 2022 to November 2022, the Railway Administration was able to supply only 22 rakes to the parties on a particular date from these four sheds and a total of 109 premium indents (83 *per cent)* were cancelled resulting in loss of premium charges amounting to ₹ 6.16 crore (***Annexure- 2.3***). The cancellation percentage was 88, 77, 80 and 89 for BPF, ET, HD and TBN respectively.

The matter was taken up with Ministry of Railways in May 2024. In their reply, MoR stated (July 2024) that the scheme had inadequate provision as there are only two days nominated in a week for supply against premium indents i.e. Monday and Friday, which became ineffective due to Ministry's order of according overriding priority to sponsored food grains of FCI over other indents of food grain. WCR is not basically a zone known for originating loading.

WCR have to pass on empties received from Northern Railway and North Central Railway to Western Railway and Central Railway as per MoR's instructions. Inward generation of empties from loaded stock is very meagre, which cannot meet originating traffic demand as inward release empties are often invalid empties; which are to be taken for examination. The quota traffic is regulated and non-release of quota for such indents are decided by MoR.

Sometimes it also happens that previous supply for loading or placement, inward load is not released in time by other party or consignment is not removed, sometimes it is not possible to supply rakes against premium indent for want of space in goods shed.

WCR has managed loading of a total of 519 rakes of food grains and earned ₹ 186.62 crore in these sidings. Thus naming it as 'loss of ₹ 6.16

---

[39] The rate of premium charge was revised in February 2021 to 15 *per cent* on normal freight and applicable till 30 June 2021.

[40] Gandhidham (GIMB), Agri Park (APAP), Mudra Port Cargo complex (MDCC), Kakinada seaports Ltd (KSLK), Kandla Port (KDLP), Millavittan (MVN), Khari Road (KRIR), Shirva (SRVA), M/s Adani Gangavaram Port Pvt. Ltd (MGPV), Mankom (NKM), Salem Jn. (SA), Tikamgarh (TKMG), Tiruvalla (TRVL), Megnagar (MGN), and Dhrub (DU). Dindigul Jn. (DG), Bhimsen (BZM), Mundra Port Cargo Complex (MDCC), Kakinada New Goods Complex (KNGK) and M/s Adani Krishnapatnam Port Ltd. Siding, Krishnapatnam.

crore', for not capturing the opportunity of premium charges, is not true. Operations Department is bound to observe the policies and instructions of MoR. Therefore, WCR could not abide with the provisions of premium indent scheme in referred cases in compliance to MoR's guidelines of fulfilling commitments with empty flow and supply of empty rakes to other Railways. Thus, Railway administration has complied with the guidelines and commitments given by MoR for smooth goods operation on WCR and it is not a matter of loss to WCR on account of not capturing the opportunity of premium indent charges in some cases.

The reply of MoR is not acceptable because arrangement of rakes against premium indents is an internal matter for the administration under the rules/provisions issued by MoR and local administration. The set-up of WCR with respect to originating loading in goods shed is not new and orders are issued by MoR after considering all these facts. Further, MoR also clarified that the policy of premium indent was formulated with a view to helping customers dealing in time-sensitive commodities and to help Railways increase incremental revenue. In the instant case, the Railway has suffered loss on account of non-supply of rake to the parties against the premium indents, who were also transporting food grains.

While replying to the draft paragraph, Zonal Railway Administration mentioned (October 2023) the details of premium indents for the period from January 2022 to November 2022 as follows.

Table 2.2: Details of premium indents from January 2022 to November 2022

Name of Goods Shed	Number of indents placed	Number of indents satisfied	Number of indents cancelled	Percentage of cancellation (Col.4/Col.2) (x) 100
1	**2**	**3**	**4**	**5**
BPF	17	2	15	88.23
ET	35	8	27	77.14
HD	35	7	28	80.00
TBN	44	5	39	88.63
Total	**131**	**22**	**109**	

The above data shows that the failure percentage of premium indents due to cancellation ranged between 77.14 *per cent* and 88.63 *per cent*. Further, test check by audit of loading of FCI food grains and cancellation of premium indents at two stations (BPF and TBN) revealed that only two and three premium indents in case of BPF (eight *per cent)* and TBN (11 *per cent)* respectively were cancelled for giving priority to FCI food grains during the period test checked by Audit. This clearly indicates that according overriding priority to sponsored food grains was not the sole reason for cancellation of premium indents. Management of rakes is the internal matter between MoR and the Zonal Railways. Thus, due to non-supply of rakes against the premium indents, Railways suffered potential loss.

Audit has not questioned the earning of ₹ 186.62 crore by loading of food grains. However, Railways could have earned an additional amount of ₹ 6.16 crore by providing rakes in due time against the premium indents which is the issue pointed out by Audit. Thus, due to non-supply of rakes to the parties on the due date, Railway Administration has suffered potential loss of revenue of ₹ 6.16 crore during the period from January 2022 to November 2022 as premium indents were cancelled by the parties. Any policies and instructions for goods earning issued by MoR is for better financial health of the Railways.

Recommendation:

MoR and WCR may work out appropriate strategies for implementing the Premium Indent Policy to garner additional revenue, as envisaged.

2.7 Failure to initiate proposal for notifying a route to carry higher axle-load resulted in loss of revenue: Southern Railway

The objective of Southern Railway (SR) to operate CC+8 loads in Magnesite Junction - Nagercoil section (458.25 Kms) could not be realised due to non-submission of a proposal to Ministry of Railways to notify the Karur-Nagercoil section as fit for running CC+8 loads. This resulted in loss of revenue of ₹ 5.43 crore during the period April 2018 to March 2023 due to carrying of less load through the entire section.

To increase the axle-load of freight wagons, Ministry of Railways (MoR) decided (May 2005), as a pilot project, to permit BOXN wagons, loaded up to CC+8[41] tonnes with an additional 2 tonnes loading tolerance on identified iron ore routes for one year. MoR notified various routes/sections fit for running CC+8 loads with various types of wagons based on the condition of the railway track.

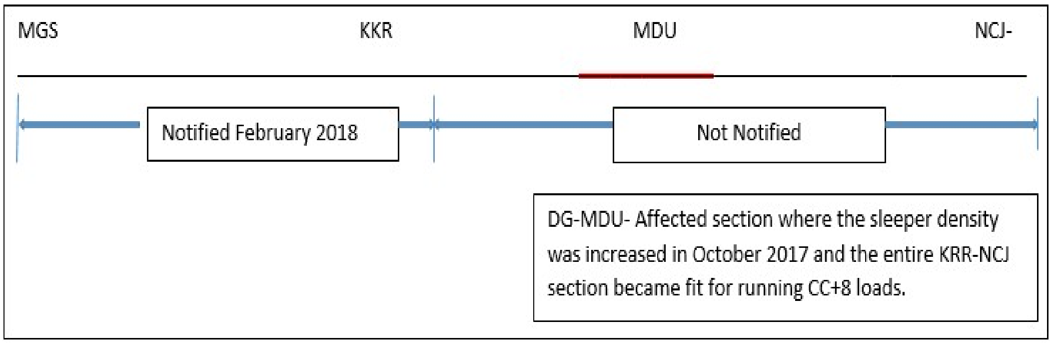
In March 2015, MoR identified the most critical routes that require urgent attention and up-gradation so as to run CC+8 loads. One of the sections

[41] **CC+8 is a category of route notified by Ministry of Railways having different Permissible Carrying Capacity (PCC) - commodity-wise for different types of wagons.**

identified by MoR in Southern Railway (SR) was Magnesite Junction (MGSJ)-Salem (SA)- Karur (KRR)- Dindigul (DG) - Madurai (MDU)-Vanchi Maniyachi (MEJ)-Nagercoil (NCJ) which covers a distance of 458.25 km. MoR instructed SR to expedite the up-gradation work by 30 September 2015. SR intimated (April 2015) MoR that the section was fit for running CC+8 loads at 60 kmph except in DG - MDU section due to lesser sleeper density in some stretches and it was targeted to complete the works of this section by March 2016. MoR in April 2016 instructed SR to complete the work of upgradation urgently and to submit a fresh proposal for notifying the route as fit for running as CC+8 loads.

During scrutiny of records (June 2022 and December 2022) relating to higher axle load, FOIS data and IRPSM data of the offices of the Principal Chief Operations Manager and Principal Chief Engineer, it was noticed that Engineering Department completed the work for increasing the sleeper density in the DG-MDU section in October 2017 but failed to submit the track fitness certificate to Operating Department (November 2023). Consequently, SR did not submit a proposal to MoR for notifying the KRR-NCJ section which had become suitable for CC+8 load on completion of sleeper density increase in the DG-MDU section. The remaining section MGSJ-KRR had been notified in February 2018.

A line diagram showing the present status is given below:



Thus, the failure of SR Administration to submit a proposal to MoR to notify the KRR-NCJ section as fit for running CC+8 loads resulted in carriage and charging of freight on CC+6 load over the entire 369.72 Km section which was actually fit for carrying CC+8 load. This resulted in loss of revenue of ₹ 5.43 crore for the period from 1 April 2018 to 31 March 2023 as shown in **Table 2.3**:

Table 2.3: Loss of revenue due to carrying freight as CC+6 load instead of CC+8 load

Sl. No.	Year	Loss of revenue (in ₹)
1	2018-19	51,57,304
2	2019-20	88,36,871
3	2020-21	84,67,464
4	2021-22	1,29,02,263
5	2022-23	1,89,27,321
Total		**5,42,91,222**

Source: FOIS data

The issue was taken up (February 2023) with SR Administration and in its reply (February 2023), the Track Cell of Engineering Department stated that there was no request received from Operating Department for clearance of the KRR-NCJ section. It was further stated that Operating Department was the nodal department to submit the application to MoR and that delay, if any, in getting approval for any route for running CC+8 trains was not attributable to Engineering Department.

The reply of SR Administration highlights the lack of co-ordination and communication between different wings at the Zonal level, resulting in loss to Government. Moreover, MoR also failed to monitor the status of the up-gradation work of DG-MDU section after its instruction in April 2016 to SR to take suitable action urgently and to send a fresh proposal after completion of the work.

It was also ascertained from Operating Department of SR (November 2023) that Engineering Department had not given the track fitness for upgradation of the section[42] route for running CC+8 loads.

Hence, the lack of co-ordination in the Zonal Railway has resulted in loss of revenue of ₹ 5.43 crore during the period 1 April 2018 to 31 March 2023.

The matter was referred to MoR in February 2024; no reply was received (July 2024).

Recommendations:

- ***Ministry of Railways may ascertain the reasons for non-submission of proposal for notifying the Karur-Nagercoil section and fix responsibility of the officers for the consequent loss of revenue.***
- ***MoR may take requisite action to notify and open the section for CC+8 operation as per original objective.***

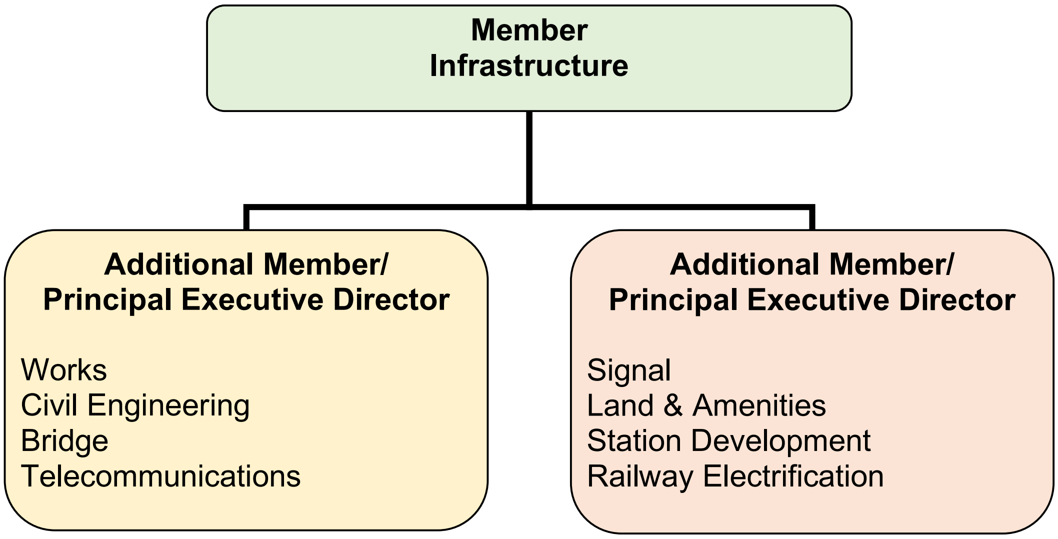
[42] **MEJ-VPT-MDU-DG-KRR**

CHAPTER III: INFRASTRUCTURE

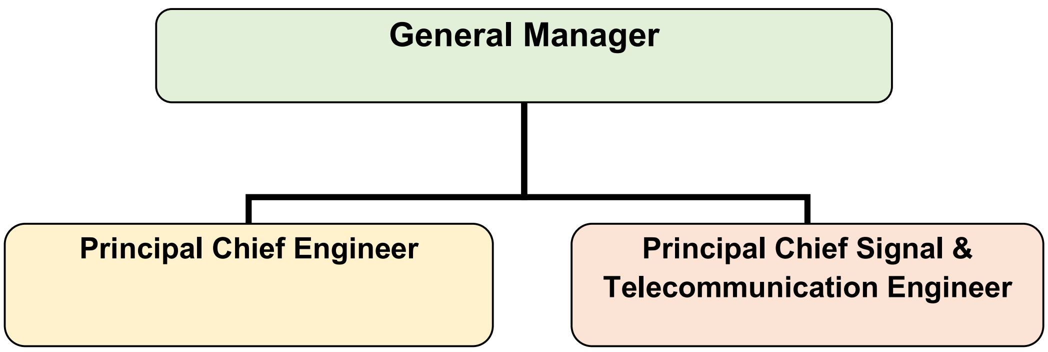
Chapter III - Infrastructure

Member (Infrastructure) at Railway Board[43] is responsible for maintenance of all fixed assets of Indian Railways such as tracks, bridges, buildings and roads. In addition, Member (Infrastructure) is responsible for construction of new assets such as new lines, gauge conversion, doubling & other expansion and developmental works. Member (Infrastructure) is assisted by Additional Members and Principal Executive Directors.

Railway Board Level



Zonal Level



At Zonal level, with the General Manager heading the Zone, the Engineering Department is headed by Principal Chief Engineer (PCE). PCE is assisted by various Chief Engineers for maintenance of tracks, bridges, buildings, roads, *etc.* Each Zonal Railway also has a

---

[43] **Revised Organisational Structure of Railway Board issued vide MoR's Office Order No. 64 of 2020 dated 8 September 2020.**

construction organisation headed by a Chief Administrative Officer (Construction) who is responsible for major construction works of Zonal Railway. Chief Administrative Officer (Construction) is assisted by various Chief Engineers (Construction).

Member (Infrastructure) at Railway Board is also responsible for Signal & Telecom Departments of Indian Railways. The Signal & Telecom Directorate at Railway Board is responsible for all issues regarding procurement and maintenance of Signal & Telecom assets over Indian Railways. In the Railway Board, Member (Infrastructure) is assisted by Additional Member (Signal) and Additional Member (Tele).

At Zonal level, the Chief Signalling and Telecom Engineer (CSTE) is responsible for overall supervision and maintenance of S&T assets.

For enhancing efficiency and safety in train operations, modern signalling plays a very vital role. The Signalling Department handles induction and maintenance of signalling systems. The Telecom Department is responsible for telecommunication services in Railways.

In 2022-23, the total expenditure on repair and maintenance of assets[44] by Engineering Department in Indian Railways was ₹ 27,942.95 crore[45]. Indian Railways also incurred expenditure of ₹ 73,748.92 crore[46] on creation of new assets[47]. During the year, apart from regular audit of vouchers and tenders, audit of 1450 offices of Engineering Department including Construction Organisation was conducted.

The expenditure on repair and maintenance of plant and equipment of S&T Department during the year 2022-23 was ₹ 3,852.22 crore[48]. Capital expenditure of ₹ 2456.08 crore was incurred on creation of S&T assets. During the year, apart from regular audit of vouchers and tenders, 343 offices of the S&T Department were inspected.

---

[44] Permanent Way and Works, Bridges, Tunnels, Roads, Sanitation and Water Supply *etc.* including Plant and Equipment.

[45] Sub head 3002-3003 (02)-Repair and Maintenance of Permanent Way and Works and Sub head 3002-3003 (05)-Repair and Maintenance of Plant and Equipment- Appropriation Accounts – 2022-23.

[46] Sub head 5002-5003-Assets-Acquisition, Construction and Replacement– Appropriation Accounts – 2022-23.

[47] New Line, Doubling, Gauge Conversion, Traffic Facility Works, Track Renewal Works, Bridge Works, Level Crossings and Passenger Amenities Works.

**[48] Minor Head 500, 600 and 700 of Sub head 3002 and 3003 (5)- Repair and Maintenance of Plant and Equipment -Indian Railways Appropriation Accounts-
2022-23.**

This Chapter includes 14 individual paragraphs. These paragraphs highlight compliance issues that relate to short recovery of land licence fee, non-recovery of dues from contractors, avoidable financial liability, irregular reimbursement of seigniorage charges to contractors, undue favour in award of contract to contractor, blocking of funds in railway projects, unfruitful expenditure on creation of assets, *etc*.

3.1 Short recovery of land licence fee of ₹ 148.61 crore from Government-aided schools: Northern Railway

Northern Railway did not comply with RB's directives to recover license fee at the rate of six *per cent* of land value from five Government-aided schools which led to short recovery of licence fee of ₹ 148.61 crore.

Railways gives surplus land to Government schools and privately managed schools for the benefit of children of Railway employees on payment of annual licence fee at rates decided by Railway Board (RB) from time to time.

Pursuant to Public Accounts Committee's directions (1982-83), RB directed (1982) Zonal Railways that a written agreement should be entered into with the concerned parties in all cases of land given on licence basis and under no circumstances should the land be licensed without executing a proper agreement. Further, the power for extension of licenses for schools were delegated (2003) to General Managers of Zonal Railways/Production Units to be exercised in consultation with the Financial Advisor & Chief Accounts Officers (FA&CAOs). These powers were not to be further delegated.

In November 2001, RB amended the codal provisions[49] for licensing of Railway land to schools. As per the amended codal provisions, the license fees for Kendriya Vidyalaya and State Government schools was to be charged at nominal[50] rates and for privately run schools on payment of annual license fee at the rate of six *per cent* of the present market value of the land[51]. RB further clarified (July 2015) that Government-aided schools and Government schools were two different

---

[49] **Para 824 of Indian Railways Works Manual (2000).**

[50] **₹ 300 *per annum* from KVs, Privately managed schools, *etc*. upto May 1992. Thereafter the nominal rate was changed to ₹ 100 per acre *per annum* subject to ₹ 1000 *per annum* from April 2003, the rate was changed to ₹1000 per acre *per annum* subject to minimum of ₹ 5000 per annum.**

[51] **RB directive (February 2005) also provided that the land value shall be increased at the rate of 10 *per cent* every previous year on 1st April.**

entities and as such licence fee for Government-aided schools should be charged at the rate of six *per cent* of market value of the land in terms of RB letter of November 2001.

Audit examined (September 2020, May 2022, July 2022 and August 2023) compliance of RB directions in respect of railway land given to five[52] Government-aided schools over Northern Railway. It was noticed that Northern Railway neither maintained proper records of land licence agreement with the five schools nor recovered licence fee as per the RB directives as described below:

1. Non-availability of agreements for licensing of land to schools:

Lucknow Division of Northern Railway did not produce (till March 2024) records of licence agreement entered into with the following three Government-aided private schools despite a request in this regard in September 2020:

(i) Kamlapati Tripathi Boys Inter-College/Varanasi (area 5,849.30 sqm)

(ii) Gandhi Vidyalaya Inter-College/Alambagh/Lucknow (area 4,203 sqm)

(iii) Railway Higher Secondary School/Jail Road/Lucknow (area 2,700 sqm)

2. Non-extension of land licence agreement/irregular extension of agreement

- Delhi Division of Northern Railway entered into an agreement for licensing of land measuring 2,902 Sqm with Andhra Education Society School, New Delhi w.e.f. 1/7/1955 with validity up to 30 June 1962[53]. Thereafter, no agreement or extension of the agreement was found on record.

- Delhi Division of Northern Railway allotted land measuring 1,510.82 sq. yards (1,263.238 sqm) to Bal Sehyog School, Shivaji Bridge, New Delhi and entered (July 1964) into an agreement with the school authorities. The Divisional Authorities of Northern Railway extended the licence period regularly from 2001 till date (2022-23). The extension of the agreement was irregular as

---

[52] **Kamlapati Tripathi Boys Inter-College , Varanasi; Gandhi Vidyalaya Inter-College, Alambagh, Lucknow, Railway Higher Secondary School, Jail Road Lucknow, Andhra Education Society School, New Delhi and Bal Sehyog School, Shivaji Bridge, Delhi.**

[53] **Seven years from 1 July 1955.**

extension of licenses for the schools was required to be approved by the General Manager of Zonal Railways as per RB directions (September 2003) instead of by Divisional authorities.

3. **Short recovery of licence fee to the tune of ₹ 148.56 crore.**

- The Railway Administration levied a nominal license fee[54] instead of a *percentage* of land value as per codal provisions of November 2001 on three schools [(Kamlapati Tripathi Boys Inter-College, Varanasi (₹ 5.02 crore), Gandhi Vidyalaya Inter-College, Lucknow (₹ 3.61 crore) and Railway Higher Secondary School Lucknow (₹ 1.36 crore)]. Audit worked out short recovery of license fees to the tune of ₹ 9.99 crore (exclusive of Service Tax/GST) from these schools for the period 2011-12 to 2022-23 (up to 30/9/2022). ***(Annexures- 3.1, 3.2 & 3.3).***

- The Railway Administration was charging licence fee from Andhra Education Society School, New Delhi at nominal rate[55] only. However, in 2015, in view of the revised policy for licensing of land of November 2001, the Railway Administration raised a revised bill of ₹ 4.14 crore for the period from 5/11/2001 to 31/3/2015 which was again revised (June 2022) to ₹ 99.31 crore (excluding applicable Service Tax/GST) for the period from 1/4/2001 to 31/3/2023. The same had not been paid by the school authorities (till March 2024).

- Similarly, the Railway Administration did not comply with the RB's directives of November 2001 for levying license fees at the rate of six *per cent* of the land value in respect of Bal Sehyog School, New Delhi and instead levied only a nominal license fee of ₹ 5,000 *per annum*. Thus, the Railway Administration short recovered licence fee to the tune of ₹ 39.31 crore (exclusive of Service Tax/GST) from this school during the period 2011-12 to 2022-23 (up to 30/9/2022) ***(Annexure- 3.4)***.

---

[54] ₹ 200 *per annum* (2015-16 to 2017-18) for Kamlapati Tripathi Boys Inter-College/Varanasi, Gandhi Vidyalaya Inter College/Alambagh (Lucknow) and ₹ 600 *per annum* (for 2012-13 to 2017-18) for Railway Higher Secondary School/ Jail Road (Lucknow)

[55] ₹ Zero for the period 2001-02 to 7/2/2011, ₹ 5000 *per annum* from 8/2/2011 to 31/3/2014 and ₹ Zero thereafter

Thus, non-compliance of RB's directives had resulted in short recovery of license fees to the tune of ₹ 148.61 crore[56] from the above five schools.

The matter regarding non-implementation of RB's directives for the revision of license fee at the rate of six *per cent* of the land value was taken up (September 2020) with Lucknow Division. Lucknow Division confirmed (February 2021) that nominal rate[57] of license fee was being recovered from three schools due to absence of documents like sketch/Detailed Drawings and old licensing/leasing related papers at the Divisional Level. Railway Authority assured that the matter would be processed as per RB's instructions after receipt of documents for land license/lease from sub-divisional authorities. The matter was again taken up by Audit in April 2023 and Lucknow Divisional Authority reiterated (July 2023) that the documents for old licensing are yet to be provided by the sub-divisions. It was also stated that as per directives issued by the RB in October 2022, the license fee from private schools was recoverable at a lump sum rate of ₹ 10,000 *per annum*[58].

Despite assurance by Lucknow Division that the matter would be processed as per RB's instructions after receipt of documents, no action had been taken so far (March 2024). Further, the reply that the license fee from private schools is also recoverable at a lump sum rate of ₹ 10,000 *per annum* as per RB order of October 2022 is not tenable as the rates were applicable after October 2022 and cannot be applied retrospectively.

Response from the Delhi Divisional Authorities regarding short recovery of licence fee from Andhra Educational Society and Bal Sehyog School, though raised in August 2022 and August 2023 respectively, was yet to be received (March 2024).

The matter was also taken up with Northern Railway Zonal Headquarters (September 2023); their response is still awaited.

The matter was referred to MoR in June 2024; no reply was received (July 2024).

---

[56] **Kamlapati Tripathi Inter-College, Gandhi Vidyalaya Inter-College and Railway Higher Secondary School (₹ 9.99 crore) + Andhra Education Society School (₹ 99.31 crore) + Bal Sehyog School (₹ 39.31 crore).**

[57] **₹ 200 *per annum* for two schools (Kamlapati Tripathi Boys Inter College, BSB and Gandhi Vidyalaya Inter College, Alambagh, LKO) and ₹ 600 *per annum* for (iii) Railway Higher Secondary School/Jail Road/Lucknow**

[58] **Sl. No. 3.3 below Schedule-I of Railway Board's letter No. 2021/LML/25/5 dated 4 October 2022.**

Recommendations:

Ministry of Railways may

- ***Ensure compliance of RB's directives and ensure that written agreements are entered into with the concerned parties and,***
- ***Take action for recovery of the licence fee, as per RB directives, from these schools.***

3.2 Non-recovery of contribution from contractors towards District Mineral Foundation: South Eastern, South Western, North Central, East Coast, Eastern, North Western, Southeast Central, West Central and Central Railways

The Mines and Minerals (Development and Regulation) Act, 1957 provides for payment towards District Mineral Foundation (DMF) in the interest and benefit of persons and areas affected by mining-related operations. Contribution towards DMF is to be deducted from contractors along with royalty, in case the same is not paid by the contractor. Though royalty is being recovered by South Eastern, South Western, North Central, East Coast, Eastern, North Western, South East Central, West Central and Central Railway Administrations from contractors' bills, contribution towards DMF is not being recovered, resulting in non-recovery of ₹ 55.51 crore during the period from January 2015 to March 2024.

Section 9 of "The Mines and Minerals (Development and Regulation) Act, 1957" (MMDR Act) provides for payment of royalty in respect of mining leases. Further, Section 9B of the MMDR Act provides for establishment of a trust called the District Mineral Foundation (DMF) in each district by the State Government in the interest and benefit of persons and areas affected by mining-related operations. The section *ibid* also provides that the rules for the functioning of the DMF are to be prescribed by the State Governments and the holder of mining lease shall, in addition to the royalty, pay a percentage of royalty, as fixed by the Central Government, to the DMF of the district in which mining operations are carried on.

South Eastern Railway (SER) operates in three states *viz*., West Bengal, Odisha and Jharkhand. The provisions regarding contribution towards DMF, in case of minor minerals, have been made by the respective

State Governments of West Bengal[59], Odisha[60] and Jharkhand[61] through notification.

SER is engaged in construction of new lines, ROB/RUB, quarters, *etc*. for which sand, moorum, earth, stone chips, *etc*. are used on which royalty as well as contribution towards DMF are applicable. As per Clause 1308 of General Conditions of Contract of SER, the contractor has to submit royalty clearance certificate or purchase bill in original as proof of having paid royalty to the State Government on the mined materials used along with every bill, failing which royalty charges shall be recovered from the contractor's bills. Further, clauses regarding recovery of all taxes and royalties have been incorporated in Special Conditions of Contract, which provides that the contractor shall bear, in full, all taxes and royalties levied by the State Government and/or Central Government from time to time. It also provides that the Railways may recover such taxes and royalties *etc*. as per provision of the relevant rules of the concerned State if the contractor fails to pay the taxes and royalties to the Government.

Test-check of contractors' bills in Railway Construction offices (November 2022) situated in the states of West Bengal, Odisha and Jharkhand revealed that Railway offices located in the state of Jharkhand recovered the contribution towards DMF from the contractors' bills at the rate of 30 *per cent* of royalty. However, the contractors in the states of Odisha and West Bengal neither furnished certificate regarding depositing of statutory contribution towards DMF nor was it deducted by SER Administration from the contractor's bills along with royalty.

Audit assessed non-recovery of ₹ 10.89 crore towards contribution to DMF (at the rate of 30 *per cent* of royalty) from the contractor's bills passed by the Railway offices in Odisha and West Bengal, during the period from January 2016 to March 2023.

Similar instances of non-recovery of ₹ 44.62 crore towards contribution to DMF from the contractor's bills passed by the Railway offices in South Western, North Central, East Coast, Eastern, North Western, Southeast Central, Central and West Central Railways were noticed during the period from January 2015 to March 2024.

---

[59] The West Bengal District Mineral Foundation Rules 2016 (29 July 2016) w.e.f 01 August 2016.

[60] Odisha District Mineral Foundations Rules 2015 (18 August 2015) and Odisha District Mineral Foundation (Amendment) Rules 2015 (15 January 2016) w.e.f 01 January 2016.

[61] Jharkhand District Mineral Foundation (Trust) Rules, 2016 (22 March 2016) w.e.f 13 January 2017.

The matter was brought to the notice of SER Administration (November 2022 and August 2023), SWR Administration (February 2024), NCR Administration (March 2024), ECoR Administration (April 2024), ER Administration (March 2024), NWR Administration (February 2024), SECR Administration (February/ March 2024), CR Administration (May 2024) and WCR Administration (February 2024 to May 2024).

Replies from only three Railways (SER, SECR and SWR) have been received while replies from NCR, ECoR, ER, NWR, CR & WCR have not been received (July 2024).

In their reply Railway Administrations have stated the following:

SER stated (January 2024) that no guidelines have been defined whether the DMF liability is to be diverted to the party procuring the mineral and accordingly recovery is to be effected from Railway contractors using these minerals for executing Railway work. Further, the State authority has not raised the issue of non-payment of contribution towards DMF by the Railway contractors. It was further stated that it is not practicable to recover DMF contribution amount as assessed by Audit from the Railway contractors until any claim for non-payment of DMF is raised by the concerned State authority on verification of their records or any audit objection cases on this issue is communicated by the State authority concerned.

SECR stated (February 2024) that DMF contribution is not being deducted as it is not part of the contract agreement.

SWR stated (May 2024) that recovery of DMF could not be effected as no provision has been made in the agreement. However, it will be ensured that the conditions of recovery of DMF on royalty charges will be incorporated in tenders floated in future.

Replies of Railway Administrations (SER, SECR and SWR) are not acceptable as contribution towards DMF is a statutory liability under MMDR Act and no separate guidelines/instructions are required to recover it from contractors in case of non-compliance. Moreover, it was being recovered by SER in Jharkhand but not in the other two states (Odisha and West Bengal).

Thus, failure of SER, SWR, NCR, ECoR, ER, NWR, SECR, WCR and CR Administrations in enforcing implementation of provisions of MMDR Act by recovering contribution towards DMF from defaulting contractors has resulted in non-recovery of ₹ 55.51 crore ***(Annexure- 3.5)***.

The matter was referred to MoR in June 2024; no reply was received (July 2024).

Recommendation:

Contribution to DMF is a statutory due and its proper compliance needs to be ensured by Zonal Railway Administrations. Ministry of Railways may instruct Zonal Railways to incorporate a clause for recovery of contribution towards DMF in the contract agreements in line with the recovery of royalty.

3.3 Non-realisation of ₹ 25.48 crore in execution of deposit work: South Central Railway and Northeast Frontier Railway

Non-compliance to the codal provisions relating to deposit works resulted in non-realisation of ₹ 10.05 crore from Government of Andhra Pradesh by South Central Railway and ₹ 15.43 crore from Defence Department and other parties by Northeast Frontier Railway.

According to Para 1846 of the Indian Railway Code for Engineering Department, the Railway Administration must ensure that the expenditure for a project undertaken on behalf of outside parties does not exceed the allocated funds. If there is a possibility of exceeding the allocated funds, the Railway Administration is responsible for obtaining additional funds in advance from the concerned party. Further, as per Para 1849, the Executive Engineer must ensure that no expenditure exceeds the sanctioned estimate or allotted funds, and the Railway Administration should not incur any additional expenses until the concerned party provides the necessary additional funds.

Review of records of Construction Organisation of South Central Railway (June 2022) and Northeast Frontier Railway (June 2017) revealed the following:

(A) South Central Railway

In December 2014, Chief Administrative Officer (Construction) of South Central Railway (SCR) approved the detailed estimate for the construction of the Road Over Bridge (ROB) for ₹ 16.33 crore[62] on the basis of the request of Government of Andhra Pradesh (GoAP)[63]. The entire cost of the ROB was to be fully funded by GoAP and accordingly,

---

[62] Work cost- ₹ 12.56 crore + maintenance charges- ₹ 3.77 crore.

[63] The irrigation authorities of GoAP proposed the diversion of road due to submergence of existing road under Gandikota reservoir. The proposed diversion road crosses the railway track between Regadipalli and Vanganur stations.

the total cost of ₹ 16.33 crore was deposited by GoAP in June 2015. The work was started in August 2016 and completed in November 2018.

In April 2019, a revised estimate of ₹ 26.38 crore (62 *per cent* increase over the originally estimated value of work of ₹ 16.33 crore) was prepared and sent to GoAP, along with a request to deposit an additional ₹ 10.05 crore. GoAP did not deposit the additional funds till date (September 2023).

It was observed by Audit that SCR Administration executed the additional work amounting to ₹ 10.05 crore without obtaining the additional funds and approached GoAP for the same only in April 2019 after completion of the work (November 2018), which is in violation of the codal provisions. The additional funds were not realised till date from GoAP.

(B) Northeast Frontier Railway

Based on the Memorandum of Understanding (MoU) executed with the Ministry of Defence[64] in December 2005, Northeast Frontier Railway Construction Organisation (NFRCON) executed the deposit work of conversion of the section - Senchoa Junction (SCE) to Silghat Town (SHTT) [Metre Gauge (MG) to Broad Gauge (BG)]. The funds were to be provided by Defence authority (DRDO).

Railway Administration completed the deposit work in March 2010[65]. However, in August 2014, the Deputy Chief Engineer (Construction) intimated the Defence authorities that the cost of the actual work executed exceeded the amount deposited by the Defence Authorities as shown in **Table 3.1**:

Table 3.1: Details of deposit work executed by NFR

Description of deposit work completed	Actual expenditure incurred (₹ in crore)	Amount deposited by Defence Department (₹ in crore)	Amount outstanding (₹ in crore)
Senchoa Junction to Silghat Town Gauge Conversion	81.13	70.85	10.28

Source: General Manager (Construction) letter dated 27th June 2017.

Further, NFRCON also executed eight deposit works (1994 to 2007) during Gauge Conversion of Guwahati (GHY)-Lumding (LMG) Section

---

64 Advanced Systems Laboratory (ASL), Hyderabad.

65 Completion of deposit work on 30 March 2010.

and Lumding-Dibrugarh Town (DBRT) Section of NFR, wherein the completion cost of the work exceeded the amount deposited by siding owners by ₹ 5.15 crore as shown in **Table 3.2**:

Table 3.2: Details of eight deposit works executed by NFRCON

Sl. No.	Description of siding for whom deposit work undertaken by the Railway	Revised/ completion estimate (₹ in crore)	Amount deposited by siding owners (₹ in crore)	Amount outstanding from siding owners (₹ in crore)	Amount outstanding since
1	2	3	4	5 (Col. 3 - Col. 4)	6
1.	IOC/Thekeraguri {GHY-LMG Project}	4.15	3.07	1.08	June 2006
2.	CIL/Lumding {GHY-LMG Project}	1.61	0.36	1.25	September 1994
3.	IOC/Patharkhola {GHY-LMG Project}	8.14	7.84	0.30	March 1995
4.	OIL Siding/Duliajan (LMG-DBRG Project}	2.82	2.66	0.16	December 2004
5.	NRL/Numaligarh {LMG-DBRG Project}, incl. NRL BTPN Works in NJP	29.15	28.91	0.24	March 2007
6.	HFC/Namrup {LMG-DBRG Project}	6.54	5.57	0.97	December 2004
7.	CIL/Tirap {LMG-DBRG Project}	2.06	1.07	0.99	December 2004
8.	CIL/Tikok {LMG-DBRG Project}	2.13	1.97	0.16	April 2001
Total outstanding to be recovered from siding owners				**5.15**	

Source: General Manager (Construction) letters addressed to concerned parties.

In all the above cases, during the execution of deposit works, after the funds initially provided were exhausted, Railway Administration failed to obtain the additional funds from the respective user parties and instead continued the construction with its own funds till completion. This was a clear violation of the codal provisions. The amount of ₹ 5.15 crore is still outstanding for recovery from the respective Departments (September 2023).

The matter was brought to the notice of SCR Administration in May and July 2023 and NFR Administration in June 2017 and June 2023. In the case of NFR, in December 2017, Railway Administration accepted the Audit contention and replied that the outstanding amount was still not deposited by parties to the Railways. Despite sending various reminders to obtain comments on the audit observations, further response of the Railway Administration is awaited.

Thus, non-compliance to the codal provisions resulted in non-realisation of ₹ 10.05 crore from Government of Andhra Pradesh in respect of SCR and ₹ 15.43 crore from Defence Department and other parties in respect of NFR.

The matter was referred to MoR in November 2023; no reply was received (July 2024).

Recommendation:

Control over expenditure for deposit works must be closely watched to avoid any excess expenditure and responsibility may also be fixed.

3.4 Avoidable liability due to delayed renewal of licenses for Very High Frequency sets: South Central Railway

Delay in payment of license fee by South Central Railway Administration, for Very High Frequency sets led to avoidable financial liability of ₹ 23.16 crore towards late fee.

As per Indian Railway Technical Manual 2021, Indian Railways (IR) utilise Very High Frequency (VHF) sets for communication during maintenance and construction blocks, yard communication, in-train communication between the guard and driver, mobile communication between moving trains/vehicles and fixed locations (stations) or other moving trains/vehicles, and for emergency communication.

The Wireless Planning and Coordination (WPC) Wing of the Ministry of Communication, Department of Communications (DOT) allocates the frequency bands used for such communication against payment of spectrum charges (license fee and royalty) by wireless users, including Central Government Ministries/Departments/Organisations. A surcharge/ late fee is applied for delayed renewal of licenses at a rate of two *per cent* per month and for delays exceeding one year, the late fee is compounded annually.

The Signaling and Telecommunication (S&T) Department of Railway divisions are designated to manage all tasks relating to license acquisition and utilisation of spectrum including, *inter alia,* the license renewal for all

VHF sets in the division within 30 days before the expiry of the Wireless Operating License[66] (WOL).

Scrutiny of records (October 2022) in the offices of Senior Divisional Signal and Telecommunication Engineer of Guntakal and Nanded Divisions of South Central Railway (SCR) revealed the following:

a) Guntakal Division had valid WOL for 1158 VHF sets up to July 2016. Thereafter, these sets were used without valid licenses up to July 2023. Non-renewal of licenses resulted in avoidable liability of ₹ 18.93 crore on account of late fee.

b) Similarly, Nanded Division used 270 VHF sets without a valid license from June 2015 to March 2023. Non-renewal of licenses resulted in avoidable liability of ₹ 4.23 crore on account of late fee.

The issue was brought to the notice of SCR Administration in October 2022 and November 2023. Senior Divisional Signal and Telecommunications Engineer/Guntakal (Sr. DSTE/GTL) replied (May 2023) that the Departments concerned were advised to project the required funds in Revised Estimates and Final Modification Estimates (RE & FME) of 2023-24 for payment of license fee. Sr. DSTE/GTL also stated (July 2023) that the pending funds for the renewal of VHF sets was ₹ 30.85 crore which included late fee of ₹ 18.93 crore. As per Sr. DSTE/Nanded, total late fees outstanding as of March 2023 was to the tune of ₹ 4.23 crore.

The responses did not indicate why licenses were not renewed for such long periods. Due to the failure in renewal of licenses by Guntakal and Nanded Divisions of SCR, Railway Administration has incurred an avoidable liability of ₹ 23.16 crore.

The matter was referred to MoR in May 2024; no reply was received (July 2024).

Recommendations:

- ***Ministry of Railways may ensure that appropriate measures are taken by Zonal Railways for timely renewal of licenses.***

---

[66] As per Telecom Regulatory Authority of India's recommendations on "Terms and Conditions of Unified License (Access Services)", 2 January 2013, a separate specific allotment of spectrum and license (Wireless Operating License-WOL) shall be required from the WPC Wing of the DOT permitting utilisation of appropriate frequencies/ band for the establishment, maintenance and operation of wireless elements of the Telecom Service, under specified terms and conditions including payment for said allotment of spectrum and for grant of WOL by WPC Wing.

- ***Responsibility may be fixed in both the divisions for non-payment of spectrum charges and non-renewal of licenses.***

3.5 Non-adherence to the instructions on apportionment of cost: Central Railway

Non-adherence to codal provisions and Ministry of Railway's (MoR) instructions in apportionment of cost sharing between Railways and Government of Maharashtra (GoM) resulted in extra expenditure of ₹ 15.62 crore in construction of four Road Under Bridges (RUBs) in Diva-Panvel–Jasai–JNPT section on Western Freight Corridor of DFCCIL project.

Ministry of Railways (MoR) issued guidelines in 1989 for elimination of Level Crossings (LC) on Indian Railways by constructing Road Over Bridge (ROB)/Road Under Bridge (RUB) and subsequently issued various clarifications[67] in this regard for apportionment of the cost of ROB/RUBs. These guidelines provided that the apportionment of cost between the Railways and State Government would be in the ratio of 50:50 in all ROB/RUB works as stipulated in Para 1816 of the Engineering Code. Railway would bear 50 *per cent* of the complete cost of two lane ROB/RUB. If any additional width of roadway was required by the State Road Authority, then the cost of this additional width would be borne by them. The "Action plan and policy issues of Road Safety Works of Indian Railway and Dedicated Freight Corridor", issued by MoR in February 2012 stated that cost sharing of ROBs between Railways and State Government would continue to be on 50:50 basis.

The Dedicated Freight Corridor Corporation of India Limited (DFCCIL)[68], an Indian Railways company, is executing the project of construction of dedicated freight corridor between Jawaharlal Nehru Port Trust (JNPT) to Dadri (Delhi). In Central Railway (CR), this dedicated freight corridor is running parallel to the existing Diva-Panvel-Jasai-JNPT corridor. In the Railway Budget for the year 2012-13, MoR sanctioned a number of ROBs/ RUBs which included four ROBs at four LCs (LC No.10, LC No. 20, LC No. 23 and LC No. 26) located in this corridor.

In a clarification issued to City Industrial Development Corporation (CIDCO)[69], DFCCIL intimated (5 September 2014) that:

---

[67] In December 1989, January 2003, October 2006, June and December 2011.

[68] An Indian Railway company executing the project of construction of exclusive corridor for freight traffic between Jawaharlal Nehru Port Trust (JNPT) to Dadri (Delhi).

[69] The agency representing the State Government of Maharashtra (GoM).

(a) the cost of ROBs in lieu of LCs would be shared by MoR and road owner as per existing norms; and

(b) the cost of RUBs would be borne equally by Railway Administration and DFCCIL and no cost would have to be borne by the road owner *viz*. State Government, local bodies *etc*. A copy of this clarification was marked to Chief Bridge Engineer, Central Railway.

Thereafter, MoR issued guidelines (19 September 2014) for elimination of Level Crossings (LC) by ROBs/RUBs in Indian Railways and Dedicated freight corridors which *inter alia* provided that:

i. Cost sharing between Railways and State Government should be as per extant policy of 50:50 enumerated in Para 1816 of Engineering Code.

ii. DFCCIL would share 50 *per cent* of the Railway's share arising from (i).

In July 2015 Railway Administration intimated CIDCO that RUBs were planned at the four LCs No. 10, 20, 23 and 26 against the earlier approved four ROBs and that the cost sharing of two lane RUBs would be the same as ROBs i.e. 50 *per cent* by CIDCO and 50 *per cent* by Railways (25 *per cent* by DFCCIL and 25 *per cent* Railway Administration). For additional two lanes of RUBs, the cost would entirely be borne by CIDCO.

Government of Maharashtra (GoM) informed DFCCIL (September 2015) that they had agreed in-principle to share 50 *per cent* of the cost of ROBs and the cost of RUBs is to be entirely borne by MoR. However, in the case of four RUBs where CIDCO has requested for four lanes instead of two lanes, the cost of the additional two lanes would be borne by GoM.

In December 2015, Railway Administration submitted a proposal to MoR to construct four lane RUBs (at four LCs *viz*. LC No.10, LC No. 20, LC No. 23 and LC No. 26) instead of the earlier sanctioned ROBs[70], as ROBs were not feasible due to passage of Metro and adjacent National Highway at the sites. MoR approved construction of four RUBs in 2016-17. The work for construction of the four lane RUBs was started by Railway Administration in October 2016. Three RUBs were completed by

[70] **Pink Book 2012-13.**

February 2020 and are in operation. Physical progress of RUB against LC-23 is 27 *per cent* as on March 2023.

During scrutiny of records (March 2019) in the office of Dy. Chief Engineer (Construction), Panvel it was observed that the clarification of DFCCIL (September 2014) to CIDCO that the cost of RUBs would be borne equally by Railway Administration and DFCCIL and no cost would have to be borne by CIDCO was not as per rules and MoR's instructions. Although the copy of the clarification was marked to Railway Administration, they did not take any action to rectify the wrong clarification by pursuing with DFCCIL and CIDCO. While the Railway Administration informed CIDCO (July 2015) that it would have to bear 50 *per cent* of the cost for two lanes RUBs, it did not pursue the matter with CIDCO who did not confirm the arrangement. Instead, GoM informed DFCCIL (September 2015) that they would fund only the two additional lanes. Due to lack of co-ordination between Railway Administration and DFCCIL, a clear commitment was never obtained from CIDCO that they would share 50 *per cent* of the cost of two lane RUBs, over and above the cost of the two additional lanes required by them.

This resulted in avoidable excess expenditure of ₹ 15.62 crore as on March 2023 due to apportionment of cost for the two lanes of RUBs between Railway Administration and DFCCIL (50:50) instead of 50 *per cent* CIDCO and 50 *per cent* by Railways (25 *per cent* DFCCIL and 25 *per cent* Railway Administration).

The matter was brought to the notice of Railway Administration in June 2021. Railway Administration in their reply (December 2021) stated that the cost sharing for RUB has been followed as per MoR's letter of 2014 and GoM's letter of 2015.

The reply of Railway Administration is not acceptable. It is clearly mentioned in MoR's letter of 2014 that cost sharing between Railways and State Government should be as per Para 1816 of Engineering Code i.e. it should be 50:50 and if additional width of roadway is required by the Road Authority over and above the limits of the width specified (i.e. two lanes) then the Road Authority will bear the additional cost.

Thus, the lack of co-ordination between DFCCIL and Railway Administration resulted in non-adherence to the guidelines issued by MoR and codal provisions on the cost sharing between the Railways and State Government, Railway Administration incurred avoidable expenditure of ₹ 15.62 crore (March 2023) due to incorrect apportionment of cost.

The matter was referred to MoR in May 2024; no reply was received (July 2024).

Recommendation:

Central Railway may adhere to the instructions issued by Railway Board regarding sharing of cost of works between the Railways and the State Government to safeguard the financial interests of Railways and pursue the matter with CIDCO and DFCCIL to share the additional cost.

3.6 Irregular reimbursement of seigniorage charges: South Central Railway

South Central Railway Administration amended provisions of Indian Railway Standard General Conditions of Contract 2014 without approval of the Ministry of Railways. This resulted in irregular reimbursement of seigniorage charges of ₹ 15.51 crore to contractors.

As per Para 46.A.3 of the Indian Railway Standard General Conditions of Contract 2014 (IRSGCC-2014), circulated by Ministry of Railways (MoR) in July 2014, the rates accepted by Railway Administration at the time of accepting tenders shall hold good till completion of the work. No additional claim shall be admissible on account of fluctuations in market rates, increase in taxes/any other levies/tolls *etc*. except that payment/recovery for overall market situation shall be made as per Price Variation Clause. In compliance to this condition, the clause regarding seigniorage charges[71] was incorporated in all work contracts executed in Construction Organisation of South Central Railway (SCR). As per the clause, the rates quoted by the tenderer shall be inclusive of these charges and claims regarding revision of seigniorage charges and consequent enhancement of the accepted rate will not be entertained.

In May 2015, Chief Engineer (Construction-IV), Secunderabad (CE/C-IV/SC) suggested a proposal to amend the relevant clause of IRSGCC-2014 for providing for reimbursement of any increase or decrease in the rates of seigniorage charges after opening of the tender. Deputy Financial Advisor and Chief Accounts Officer (Construction), Secunderabad (Dy. FA&CAO/C/SC) expressed (July 2015) that any modification to General Conditions of Contract (GCC) can only be

[71] **Seigniorage charges are the charges payable by a person or company or department to the State Government (Department of Mines) for extraction of minerals such as sand, earth, moorum, granite, *etc.* from the land.**

implemented with the approval of MoR and advised to pursue the matter with MoR.

However, ignoring the advice of Dy. FA&CAO/C/SC, instructions were issued in July 2015 by CE/C-IV/SC to modify the seigniorage clause in tender documents. It was fallaciously claimed to have obtained finance concurrence. FA&CAO/C/SC later requested the withdrawal of these instructions due to lack of finance concurrence. After prolonged correspondence, FA&CAO/C/SC agreed to modify the clause with the condition that MoR be informed regarding the change as the latter is the custodian of GCC. CE/C-IV/SC requested MoR in August 2015 to review and amend the said provision of GCC. Further, without taking approval of MoR, instructions were issued (August 2015) to modify[72] the seigniorage clause in all future tenders of Construction Organisation. After incorporation of the above modified clause, reimbursement of increased seigniorage charges to contractors was made by SCR.

Audit scrutiny (March 2021) of records related to 24 agreements executed between April 2016 to July 2022 revealed that as of March 2023, an amount of ₹ 15.51 crore was reimbursed/under process for reimbursement due to increased seigniorage charges on earth, moorum, sand, and other minerals by the Governments of Telangana/Andhra Pradesh. Details are shown in **Tables 3.3 and 3.4**:

Table 3.3: Statement showing reimbursement of seigniorage charges

Sl. No.	Agreement No. and Date	Amount reimbursed (in ₹)
1	21/CAO/C/SC/2016 dated 28/4/2016	3,55,18,148
2	47/CAO/C/SC/2016 dated 4/10/2016	1,08,62,238
3	50/CAO/C/SC/2016 dated 28/8/2018	1,22,21,471
4	02/Dy. CE/C/BZA/2019 dated 30/3/2019	11,55,036
5	02/CAO/C/SC/2022 dated 4/7/2022	1,14,98,234
6	05/Dy. CE/C/BZA/2020 dated 18/11/2020	17,61,915
7	66/CAO/C/SC/2017 dated 30/11/2017	32,63,899
8	11/CAO/C/SC/2022 dated 5/3/2018	11,84,348
9	02/Dy. CE/C/NZB@SC/2022 dated 13/8/2018	12,45,849
10	02/Dy. CPM/WCSP/SC/2016 dated 22/7/2016	5,30,438
11	07/CAO/C/SC/2018 dated 21/2/2018	96,34,805
12	44/CAO/C/SC/2018 dated 13/8/2018	4,18,82,611
Total		**13,07,58,992**

[72] **Clause 19.2 - "the rates quoted by the tenderer shall be inclusive of seigniorage charges on all items of work to be executed under the contract" and Clause 19.3 - "for any subsequent increase or decrease in the rates of seigniorage charges, reimbursement/recovery will be effected to/from the contractor".**

Table 3.4: Statement showing reimbursement of seigniorage charges under process

Sl. No.	Agreement No. and Date	Amount under process for reimbursement (in ₹)
1	09/CAO/C/SC/2018 dated 26/2/2018	1,33,334
2	11/CAO/C/SC/2018 dated 5/3/2018	6,49,209
3	18/CAO/C/SC/2018 dated 30/4/2018	14,26,864
4	19/CAO/C/SC/2018 dated 18/5/2018	11,97,472
5	57/CAO/C/SC/2018 dated 21/9/2018	75,912
6	65/CAO/C/SC/2018 dated 31/12/2018	11,59,334
7	66/CAO/C/SC/2017 dated 30/11/2017	73,25,874
8	10/CAO/C/SC/2021 dated 30/11/2021	3,62,767
9	05/CAO/C/SC/2021 dated 9/6/2020	18,910
10	32/CAO/C/SC/2018 dated 4/7/2018	6,64,417
11	35/CAO/C/SC/2018 dated 18/7/2018	21,39,074
12	52/CAO/C/SC/2018 dated 28/8/2018	91,78,819
Total		**2,43,31,986**
Grand Total		**15,50,90,978 (Say ₹ 15.51 crore)**

Source: Contractor's Ledger maintained in Construction Organisation of SCR.

The matter was taken up with Ministry of Railways in October 2023. In their reply, MoR stated (February 2024) that as per Para 1.1, Part-I of GCC- 2014, the General Conditions of Contract referred as per GCC shall be subject to modifications, additions or suppression by special conditions of contract and/ or special specifications, if any. The issue was extensively deliberated weighing all the situations which finally culminated in finance concurrence for the said modifications of seigniorage clause. PCE/SC has also circulated a letter (6 December 2017) containing same modified seigniorage conditions for implementation in all future works with the concurrence of PFA/SC.

The view that obtaining of finance concurrence is a fallacious claim is incorrect. After substantial contemplation, finance concurrence has been given for revised seigniorage conditions. The tender inviting authority is the competent authority to introduce special conditions. Since the same is involving financial implications, finance concurrence has been obtained.

Approvals as per Para 626 and Para 627 of Finance Code are with regard to modification of standard conditions, which in this case, is GCC. However, the conditions are modified for proposed contracts through a special condition, which is explicitly allowed as per GCC. Since it affects all Railways across the country, MoR was informed about the proposed changes, which was favourably modified in GCC-2018.

The payments are covered by provisions of IRSGCC, November 2018 and July 2020, Para 1 of Clause 37(i) and therefore cannot be described as irregular or arbitrary.

The reply of MoR is not acceptable because Indian Railway Standard General Conditions of Contract (IRSGCC) 2014 consists of two parts (i) Part-I – Regulations for Tenders and Contracts and (ii) Part II – Standard General Conditions of Contract. Further, Para 1.1 of Part-I states that "these Regulations for Tenders and Contracts (Part-I) shall be read in conjunction with the Standard General Conditions of Contract (Part-II) which are referred to herein and shall be subject to modifications, additions or suppressions by Special Conditions of Contract and/or Special Specifications, if any annexed to the tender forms". This clearly indicates that the regulations for tenders and contracts (Part-I) are to be read in conjunction with Standard General Conditions of contract but not in isolation. Moreover, Para 1.1 of Part-I of IRSGCC did not authorise the Zonal Railways to incorporate a clause in Special Conditions of Contract overriding the Standard General Conditions of Contract, which were circulated by MoR and applicable across the Zonal Railways for awarding tenders and contracts.

Associate Finance observed (July 2015) on the proposal sent by CE/C-IV/SC that any modification to General Conditions of Contract can only be done with the approval of MoR. However, CE/C-IV/SC instructed (July 2015) the field units to incorporate the modified clause in the tender documents and categorically stated that this has the concurrence of FA&CAO/C. Hence, it is evident that these instructions were indeed issued for incorporation of the modified clause by fallaciously claiming to have obtained finance concurrence. At the request of FA&CAO/C/SC, these instructions were withdrawn, and prolonged discussions were held on modification of the clause. Though CAO/C/SC addressed MoR regarding modification to the clause, MoR has not responded for the same. SCR has also not reminded MoR even once in this regard. Further, MoR issued several Correction Slips/Amendments to IRSGCC-2014 in later years, however, no correction slip/amendment to IRSGCC-14 was issued based on the suggestion made by SCR regarding modification of clause. Modification to seigniorage clause by PCE/SCR for implementation in the divisions without the approval of MoR is thus irregular.

The contention of Railways that the conditions are modified for proposed contracts through special condition which is explicitly allowed as per GCC is not tenable because in the present case SCR modified an already existing special conditions of contract on seigniorage charges (which was in accordance with the IRSGCC circulated by MoR for adoption by all the zonal railways) on the ground that the existing clause was defective. But the modified clause was in contravention to IRSGCC-2014, which should have been incorporated with the approval of MoR as per the provisions of Paras 626 and 627 of Indian Railway Finance Code, which clearly state that (1) in case standard condition is proving defective in any way, it is the duty of General Manager to bring the fact to the notice of MoR and (2) any unusual condition should be imposed only after approval by MoR.

SCR, instead of incorporation of the modified clause with the approval of MoR, incorporated the clause in the tender documents and only informed MoR regarding modification. Neither did SCR follow up the issue with MoR nor did MoR issue any correction slip/amendment to IRSGCC-2014 on the advice of SCR. Thus, SCR irregularly incorporated a clause that contradicts IRSGCC without approval of MoR resulting in avoidable reimbursement of seigniorage charges of ₹ 15.51 crore as of March 2023.

Recommendations:

- ***Recovery of the irregularly reimbursed amount should be carried out. Responsibility may be fixed for modifying clauses of IRSGCC without the approval of MoR.***

- ***MoR may review whether similar cases of irregular reimbursement of seigniorage charges has taken place in other Zonal Railways.***

3.7 Non-compliance of Railway Board's instructions and provisions of Memorandum of Understanding (MoU) resulted in non-realisation of State Government's share for construction of Road Over Bridge: Eastern Railway

Eastern Railway failed to implement Railway Board's instructions and provisions of MoU for construction of a Road Over Bridge. As a result, the State Government's share to the extent of ₹ 13.52 crore could not be realised even after commissioning of the bridge.

A road over or under bridge (ROB/RUB) is constructed to replace an existing level crossing (LC) on cost sharing basis with the concerned Road Authority[73]. In May 2008, Ministry of Railways (MoR) instructed the

[73] **Para 1816 of Indian Railway Code for the Engineering Department.**

Zonal Railways (ZRs) to take up only those ROB/RUBs for execution where necessary provision of funds had been ensured by the State Government. In October 2009, MoR decided to assign the work of construction of the entire[74] ROB/RUB to a single agency in selected states, which included the State of West Bengal. As per MoR's guidelines, the ZRs and State Governments would enter into a Memorandum of Understanding (MoU) for construction of ROBs and the work would be awarded to a single agency. MoR further instructed (February 2012) the ZRs to take proactive action for holding regular meetings with the State Government for reconciliation of expenditure as per the codal provision. The amount spent in excess of its share by either party (Railways or State Government) was to be reimbursed by the other party in the same financial year in which the expenditure had been incurred.

Government of West Bengal decided (September 2011) to construct a ROB at LC no. 131 of Sealdah - Lalgola Section on priority basis and requested Eastern Railway (ER) to confirm the same. ER informed (November 2011) the State Government that the LC could be replaced by a ROB provided the State Government agreed to bear 50 *per cent* of the cost and to close the LC after commissioning of the ROB. The State Government was requested (November 2011) to provide their consent through an undertaking in the prescribed proforma. Secretary, Public Works Department, Government of West Bengal intimated (January 2013) ER that the State Government's share would be reimbursed to Railways as per availability of funds on a yearly basis. The ROB was approved by MoR in the Works Programme of 2012-13 (6 May 2013) for construction on single entity basis by the Railways, without obtaining the undertaking. The approval was subject to the condition that "adjustment of Railway's/ State Govt's share of cost would be proportionately adjusted at the end of the year".

The detailed estimate was sanctioned in January 2014 at a cost of ₹ 24.94 crore out of which Railway's share was ₹ 11.42 crore and the State Government's share was ₹ 13.52 crore. A MoU was executed between the State Government and ER (May 2015). As per provisions of the MoU, sharing of the cost of the ROB was to be done immediately after sanction of the detailed estimate instead of doing it after completion of the construction and commissioning. The MoU *inter alia* also included the provision to submit monthly expenditure by the Railways to the State

---

[74] **Comprising of approaches and bridge portions.**

Government. MoR specifically instructed Principal Chief Engineer/ER (May 2013) for adjustment of Railway's/State Government's share of cost at the end of the year. In case the State Government did not reimburse their share of cost, it was advised to recover the cost from ongoing deposit works or other works of the State Government. Further, the difference between sanctioned and actual cost was to be shared after commissioning of the bridge and closure of the LC. After commissioning of ROBs, vetted expenditure should be submitted by both Railways and the State Government for final adjustment.

The tender for construction of the ROB was opened on 22 December 2015 and the work started on 8 November 2016.

In August 2022, after completion of the construction, ER requested the State Government to deposit the Government's share of ₹ 13.52 crore as per the sanctioned cost of the detailed estimate for construction of the ROB. The ROB was commissioned on 18 October 2022. The expenditure incurred till February 2024 for construction of the ROB was ₹ 24.60 crore. ER Administration could not realise any amount from the State Government till date (July 2024).

During scrutiny of records (December 2022 to January 2023) in the office of Dy. Chief Engineer (Construction-I)/Sealdah/ER, Audit observed the following:

- Contrary to MoR's instructions (October 2009), the MoU with the State Government was executed in May 2015, well after sanction of the detailed estimate in January 2014.
- The work of construction of the ROB commenced (8 November 2016) without obtaining the undertaking and ensuring funds from the State Government in violation of MoR's instructions of May 2008.
- While the Secretary, Public Works Department, Government of West Bengal had intimated (January 2013) ER that the State Government's share would be reimbursed to Railways on a yearly basis, ER failed to submit any interim expenditure statements to the State Government for adjustment of cost on a yearly basis.
- In violation of the provision of the MoU to share the cost immediately after the sanction of the detailed estimate instead of doing it after completion of the construction and commissioning, the ER Administration asked the State Government to deposit their share of ₹ 13.52 crore for the very first time in August 2022, more than eight years after the sanction of the detailed estimate and after commissioning of the ROB.

The matter was taken up with ER Administration in May 2023. The Railway Administration contended (July 2023) that (a) the construction of the ROB was in the Railway's interest and was started before deposit of State Government's share in view of pursuance by the local public, State Government and MP/MLAs. (b) the delay in signing the MoU happened due to delay in finalisation of conditions to be incorporated; (c) several times the issue of cost sharing had been discussed; the estimated cost was informed to the State Government in February 2014; a letter was issued in August 2022 for sharing of cost and the State Government was requested in June 2023 in a meeting to deposit their share of cost.

Since the construction of the ROB was proposed initially by the State Government, the contention that the construction of ROB was started in view of constant pursuance by the public, State Government and MP/MLAs is not tenable. The response does not explain why ER failed to adhere to the conditions of MoU and why it did not seek re-imbursement on a yearly basis, as informed by the State Government.

Thus, due to non-compliance of MoR's instructions as well as provisions of the MoU, the State Government's share of ₹ 13.52 crore for construction of the ROB remained unrealised even after its commissioning.

The matter was referred to MoR in April 2024; no reply was received (July 2024).

Recommendation:

Responsibility may be fixed for undertaking the construction work of the ROB in violation of MoR's instructions and terms of MoU and for not seeking re-imbursement, as indicated by the State Government.

3.8 Non-execution of agreement with the Siding Authority (CONCOR) led to non-realisation of Maintenance and Inspection Charges: Northeast Frontier and South Central Railways

Non-adherence to the instructions of Ministry of Railways led to non-realisation of Maintenance & Inspection Charges of ₹ 12.76 crore from the CONCOR authorities.

The Inland Container Depot (ICD) was set up in Amingaon (AMJ) by Northeast Frontier (NF) Railway in 1986. The siding was operated by Railway Administration. Ministry of Railways (MoR) decided (November 1989) to hand over the ICDs in different Zones, including AMJ, to the

Container Corporation of India (CONCOR). Accordingly, the ICD siding at AMJ was handed over to the CONCOR authorities on 1 November 1989. MoR laid down the Terms & Conditions for handing over of the ICDs to CONCOR, wherein Clause (iii) stipulated that "All services, including security, maintenance, *etc*. would continue to be provided by Railway Administration". As per conditions under Clause (viii) the entire expenditure after 1 November 1989 would be borne by CONCOR. Instructions for passing on the expenditure incurred in the ICDs to be ultimately booked in the Accounts of CONCOR would also be issued separately.

In terms of Railway Board extant instruction[75] of February 1985, revised[76] in July 2005 and reiterated[77] in August 2016, the siding owner shall enter into an agreement with the concerned division regarding the operation & maintenance of his siding. As per para 9.4 of policy circular on private siding (August 2016), wherever track maintenance is being done by the Railways at the cost of the siding owner, the party shall continue to bear this cost of maintenance and inspection.

(i) Audit scrutiny of records (September 2019 and December 2022) in the office of Chief General Engineer/Maligaon and Sr. Divisional Finance Manager/Lumding revealed that siding agreement was not signed between NFR Administration and CONCOR siding authority since handing over of the siding to CONCOR in November 1989. Further scrutiny revealed that after a lapse of more than 28 years since handing over of the siding to CONCOR in November 1989, NF Railway Administration pursued the issue of non-realisation of Maintenance and Inspection charges in July 2018, but could not realise the outstanding charges from the CONCOR authorities till date, due to non-signing of an agreement. The outstanding amount towards non-realisation of Maintenance & Inspection Charges from CONCOR for the period from April 2017 to March 2024, as assessed by Audit, was ₹ 11.37 crore. ***(Annexure- 3.6)*.**

The matter was taken up with the Railway Administration in September 2019 and December 2022. The Railway Administration replied (May 2023) that despite several efforts from the Accounts and Engineering Departments in raising bills, the Commercial Department was not able to execute the required agreement with CONCOR.

---

[75] Letter No: 78/W-I/SA/3 dated 15 February 1985.

[76] Letter No: 2002/CE-I/Sp/1 dated 12 July 2005.

[77] Letter No: 99/TC (FM)/26/1/Pt-II dated 22 August 2016.

Though Railway Administration agreed with the Audit contention, it did not take effective efforts to pursue the matter at higher levels for signing of the agreement with CONCOR. The statement made by the Sr. Divisional Finance Manager, Lumding that the Commercial Department was not able to execute an agreement with CONCOR corroborates the fact of lack of co-ordination between various Departments of NF Railway Administration.

Non-adherence to MoR's instructions and lack of coordinated efforts between various Departments of NF Railway Administration led to non-signing of the siding agreement with CONCOR and consequential non-realisation of Maintenance & Inspection Charges of ₹ 11.37 crore from CONCOR siding authority from 1 April 2017 to 31 March 2024.

(ii) Similarly, in South Central Railway (SCR), the ICD located at New Guntur (NGNT) was handed over to the CONCOR authorities w.e.f. 1 November 1989 and the track was maintained by the Railway Administration. However, no siding agreement was executed between South Central Railway Administration and the CONCOR siding authority in order to levy Track Maintenance & Inspection Charges from CONCOR. The outstanding amount of Maintenance & Inspection Charges from CONCOR for the period from April 2017 to March 2024, as assessed by audit, was ₹ 1.39 crore in respect of the ICD at NGNT ***(Annexure 3.6)***.

Thus, non-adherence to instructions of MoR led to non-signing of the siding agreement with CONCOR and consequential outstanding of ₹ 12.76 crore towards non-realisation of Maintenance & Inspection Charges from CONCOR Siding Authority in respect of NFR and SCR.

The matter was referred to MoR in May 2024; no reply was received (July 2024).

Recommendation:

Railway Administration has to take up the issue at the highest level to recover the outstanding charges from CONCOR.

3.9 Non-commencement of the work of approach roads led to idling of the bridge proper resulting in blocking of capital: South Western Railway

South Western Railway Administration constructed Road Over Bridge without ensuring matching action by Government of Karnataka for their shared work. This has resulted in non-elimination of Level Crossing and blocking of capital of ₹ 11.81 crore for more than five years (2018 to 2023).

Road Over Bridge (ROB) and Road Under Bridge (RUB) are constructed to facilitate smooth movement of road and rail traffic in addition to improving safety at level crossings (LCs). Elimination of LCs by construction of ROB/RUB and Limited Height Subway (LHS) is vital towards achieving "Mission Zero accident" and for improvement of overall safety. As per the extant policy (August 2008), works of ROBs/RUBs in lieu of busy level crossings with at least one lakh TVUs (Train Vehicle Units)[78] are undertaken on cost sharing basis, proposals for which are sponsored by the concerned State Governments duly fulfilling certain requisites which *inter alia* include providing land free of encumbrances for the bridge approaches.

Standing Committee on Railways (2008-09), considering the slow progress of ROBs/RUBs works, recommended that Railways should take up only those ROBs/RUBs for execution where necessary provision of funds is ensured by the State Government. Accordingly, Ministry of Railways (MoR) issued instructions (May 2008) that an undertaking should be obtained from the State Government to initiate advance action to acquire land for approaches, assign priority for the work in their Works Programme and commence/complete the work on approaches more or less simultaneously with the completion of bridge proper[79] by the Railways.

Ministry of Railways instructed (February 2012) that the amount spent in excess of its share by either party (i.e. State Government or Railways) should be reimbursed by the other party in the same financial year in which the said expenditure has been incurred and reconciliation of

---

[78] Train Vehicle Units [TVUs/day (train units (x) Road vehicle units)] are worked out. Train, Road vehicles, *etc*., being considered as one unit; cycle rickshaw/Auto rickshaw being considered as half unit. Railways adopt a general criterion of 1 lakh Train Vehicle Units (TVUs) per day as minimum for provision of ROB/RUB on cost sharing basis.

[79] The term "Bridge proper" refers to the actual structure of the bridge that spans over the railway tracks and provides a passage for road traffic.

account for the purpose of reimbursement of amount spent in excess of share should be carried out periodically as per physical and financial progress of works.

In South Western Railway (SWR), the work for replacement of Level Crossing (LC) number 129[80] with ROB (TVUs of 1,59,617) was taken up on cost-sharing basis with Government of Karnataka (GoK) (December 2011). Detailed Estimate (2014) of ₹ 18.59 crore was revised to ₹ 24.27 crore in June 2020 (Railway's share – ₹ 10.29 crore and GoK's share – ₹ 13.98 crore). The bridge proper of ROB within Railway portion was to be executed by SWR and approaches were to be executed by the Public Works Department (PWD) of GoK. The work of construction of the bridge proper by SWR was completed in September 2018 at a cost of ₹ 11.01 crore. However, GoK has not commenced the work of approach portion of ROB even after five years (October 2023) of completion of the bridge proper. The number of TVUs at the LC have also alarmingly increased 10 times i.e., from 1,56,617 TVUs (December 2009) to 15,71,430 TVUs (August 2022).

Review of the records (July 2022) of Chief Administrative Officer (CAO)/Construction, SWR revealed that despite MoR's directives (May 2008), Railway Administration commenced the construction of the bridge proper without ascertaining the status of land to be acquired for approaches. Further, the execution of the bridge proper was done without ensuring the progress of work on approaches by the State Government, which should have been done more or less simultaneously with completion of the bridge proper by the Railways.

Further, no concrete action has been taken by SWR to recover the GoK's share (50 *per cent*) towards the work of bridge proper. SWR sent only two letters (September 2015 and February 2016), requesting GoK to reimburse their share of expenditure (₹ 4.50 crore) but GoK is yet (July 2024) to deposit the same.

---

[80] **Situated between Devanagonthi and Whitefield stations.**

Bridge proper across the track

Completed bridge proper

The matter was taken up with the Railway Administration in July 2022 and April 2023. In reply (January 2023 and September 2023), it was stated that the work of bridge proper was executed as per the agreed terms with GoK. ROB approaches could not be executed by GoK due to delay in acquisition of land. ROB approaches has been delayed by GoK in spite of consenting and giving priority for sanction of work and also signing General Arrangement Drawing (GAD) with conditions.

The reply is not acceptable. The responsibilities of the Railway Administration did not end with joint signing of the GAD. It should have watched the compliance to the conditions of the GAD that "work on road approaches shall be started and finished simultaneously with that of the bridge structure, to enable commissioning of the ROB and the closing of the level crossing across the railway line. Land acquisition for obstructions including relocating is the responsibility of the road authorities". However, it initiated the work of the bridge proper without ascertaining the status of land to be acquired for approaches and continued with the construction of the bridge proper without ensuring the progress of work on approaches by GoK.

Thus, commencement (September 2015) and completion (September 2018) of the bridge proper without monitoring advance action[81] by GoK resulted in non-closure of the LC, which is a safety hazard for rail/road traffic, causing inconvenience to road users, idling of asset and blocking

[81] **To acquire land for approaches and non-commencement of work of approach road by GoK.**

of capital of ₹ 11.81 crore[82] for more than five years. Further, SWR is yet to recover GoK's share (50 *per cent*) towards the work of the bridge proper.

The matter was referred to MoR in May 2024; no reply was received (July 2024).

Recommendation:

Responsibility may be fixed for undertaking the execution of bridge proper without ensuring the matching progress by GoK.

3.10 Non-development of infrastructure at Gosalpur Goods shed resulted in detention of loaded rakes: West Central Railway

Railway Administration could not develop proper infrastructure at Gosalpur Goods shed despite having sufficient freight business resulting in detention of loaded rakes.

As per guidelines[83] regarding demurrage and stabling, Zonal Railway (ZR) should make efforts through constant dialogue with rail users to develop infrastructure for efficient handling of wagons to reduce terminal detention and hence improve wagon availability.

In January 2021, Ministry of Railways (MoR) introduced a policy to promote domestic manufacture of steel under Atmanirbhar Bharat Scheme and to maximise iron ore loading. This policy is intended to set clear guidelines on how to fully meet the requirements of customers by leveraging infrastructure facilities available at loading and unloading ends to the fullest. The aim of the policy is also to re-assure customers that Railways are fully committed to meet the complete requirement of transportation of iron ore customers provided adequate infrastructure is available/created at both loading and unloading ends.

The share of iron ore transportation under West Central Railway (WCR) at Gosalpur station is the highest at above 55 *per cent* amongst four stations (Dundi, Gosalpur, Kachhpura and Panihar)[84].

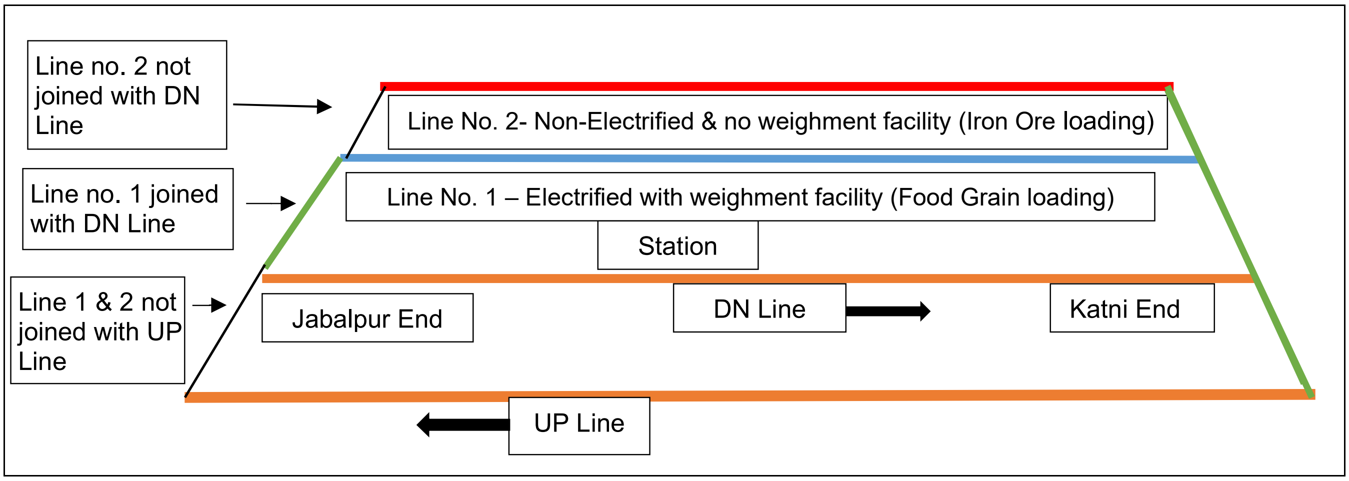
---

[82] **Bridge proper by the Railway was completed during September, 2018 at a cost of ₹ 11.01 crore (+) non-closure of the LC resulted in an avoidable expenditure of ₹ 0.80 crore (March 2023) towards Pay and Allowances of Gatemen manning the LC.**

[83] **As per para 2.1.3 Chapter-I of Rates Master Circular-Demurrage-Wharfage-Waiver/2016/0 circulated by Railway Board vide letter No. TC-1/2016/201/1 dated 19 May 2016.**

[84] **2021-22 and 2022-23.**

A rough sketch of Gosalpur station is shown below:



During review of records of Gosalpur Goods shed (GSPR) in February 2023, it was observed that:

- There are two full rake length lines[85] (Line no.1 and 2) available for goods loading at GSPR and both the lines are connected with UP and DN main lines at the Katni end.
- Line no. 1 is electrified and has weighment facility and is connected to DN line at Jabalpur (JBP) end also but not to the UP line at JBP end. This line is primarily used for loading food grains which can move towards Katni in the DN direction without any detention.
- Line 2 is not electrified and also does not have weighment facility. It is used for iron ore loading in open wagon rakes which are primarily despatched on UP line towards Jabalpur.
- After a rake is loaded with iron ore at Line no. 2, it is first drawn towards Katni (DN Line) and then pushed back to Line No. 1 for weighment. After weighment, the rake is again taken towards Katni end (DN Line) and after crossing the DN Line, it is placed in the UP Line for its onward journey towards JBP end.

Consequently, dispatch of loaded iron ore rakes towards JBP requires repeated shunting which blocks traffic on both 'DN' and 'UP' lines. These additional operations result in delay in the dispatch of the loaded rakes, as well as disruption in train movements.

During the period from 1 April 2022 to 31 March 2023, 269 loaded rakes were stabled/detained for periods ranging from 2 hours to 38 hours on

[85] The full rake length line is the length of rail line available for a complete full rake of 58 Box 'N' wagons rake loading/unloading facility.

the loading of iron ore, the provider of iron ore business to Railways[86] has intimated (October 2022) that they are capable of loading two rakes of iron ore per day, if, the Railways provides necessary infrastructure for quick movement of loaded rakes. It is pertinent to mention that priority of iron ore and coal rake movements are being monitored by MoR for incremental loading and MoR informed (May 2022)[87] that ZR could reduce permissible free time (i.e. 6 hours) for coal and iron ore at goods shed/sidings.

Due to non-development of sufficient and proper infrastructure at Gosalpur station (i.e. non-connectivity of line no. 2 with 'UP' main line towards Jabalpur end) traffic in both directions is blocked for movement of loaded iron ore rakes towards JBP, causing heavy detention of loaded rakes. This resulted in loss of earning potential of wagons amounting to ₹ 10.11 crore for 269 loaded rakes detained during the year 2022-23. Loss of earning potential of wagons[88] has been assessed in Audit for only those cases where the detention after loading of the rake was more than 6 hours and on the basis of actual detentions.

On being pointed out by Audit (February 2023, April 2023 and June 2023 respectively), Railway Administration stated (February 2023) that the causes of detention are non-availability of path and time taken in shunting work in main line of traffic. They further stated (July 2023 and September 2023) that the loaded rake is not detained on account of insufficient infrastructure. Detention of rake depends on several factors, such as availability of crew, engine, and path, *etc*. and average detention is 3.31 hours.

The reply of the Railway Administration highlights the operational reasons for detention but in the case of Gosalpur station, the detentions can be reduced by improving the infrastructure. Railway Administration has also agreed that infrastructure works proposed *viz*. provision of shunting neck and double exit at Gosalpur[89], along with improved shunting facilities, shall ease operations significantly. Moreover, average detention does not present the real picture of the outliers beyond six hours when the actual data on detention per rake is available.

---

[86] **M/s Euro Pratik Ispat (India) Private Limited, Sihora.**

[87] **Corrigendum No. 30 Rates Master Circular No. TC-I/2019/201/15-part, (2) (3328629) dated 27 May 2022.**

[88] **Earnings per goods wagon per Km X Earning capacity per wagon per minutes X Detention in minutes**

[89] **Administrative approval has been granted on 10/4/2023.**

Thus, non-development of proper infrastructure at Gosalpur station led to heavy detention of loaded rakes resulting in loss of potential earning of wagons.

The matter was referred to MoR in May 2024; no reply was received (July 2024).

Recommendation*:*

WCR Administration may improve the infrastructure at Gosalpur Siding to reduce the detention of loaded rakes and avoid loss of earning potential of wagons.

3.11 Irregularity in awarding of contract: Northeast Frontier Railway

In violation of stipulated provisions, Northeast Frontier Railway Administration accepted higher rates for procurement of machine crushed Track Ballast ignoring the last accepted rates prevailing in the same area. This resulted in undue benefit of ₹ 9.40 crore to the contractor due to procurement at a higher rate.

As per Para 1210 of Indian Railway Code for Engineering Department, it is the primary duty of the Executive to obtain the best value possible for money spent and the tender system should be given very careful and serious consideration in all cases to secure competitive rates.

Ministry of Railways (MoR) *inter alia* instructed[90] (1972) that it is the responsibility of the Tender Committee (TC) to carefully scrutinise tendered rates with a short briefing note, indicating the last accepted rates for similar work in that area, analysis of financial standing, technical competence, capacity of contractor, *etc.* It was further directed[91] (1985) by MoR that once received tenders are considered to be unreasonably high in value, negotiations are to be conducted with the tenderer(s), with a view to lower the rates. Further, as per Research Designs and Standards Organisation (RDSO) guidelines[92] on Works Contract, when the value of the work exceeds ₹ 2 lakh, the Estimated Cost of work should be worked out on the basis of Last Accepted Rates (LAR).

During scrutiny (December 2019) of records of Engineering Department of Lumding Division it was observed that a tender was floated (February

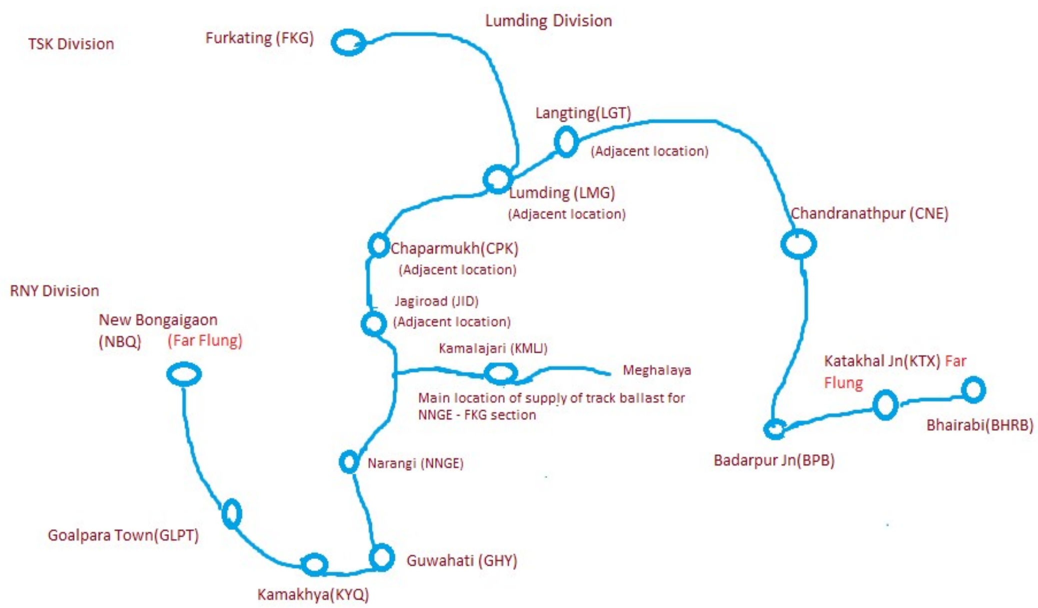
[90] MoR Letter No. 72/WI/CT/42 dated 17 November 1972.

[91] MoR Letter No. 84/W1/CT/28(P) dated 09 July 1985.

[92] CAMTECH/GWL/M/Contract Management- Rev. 2.0 issued in November 2013.

2019) for supply of Machine Crushed Ballast at Kamalajari Depot for the Narangi (NNGE) – Furkating (FKG) section (290 KM). The estimated rate for the tender was worked out as ₹ 2,383.33 per cum by getting quotations from three agencies. The average rate of LAR was worked out as ₹ 2,800.12 per cum which was determined based on the LARs of three Contract Agreements (CAs)[93]. Two tenderers applied for the tender. Before the tender could be finalised, one of the tenderers withdrew his bid. The contract was awarded (May 2019) to the only available tenderer for ₹ 49.63 crore (at the rate of ₹ 2,597.83 per cum which was nine *per cent* above the estimated value of work and 7.22 *per cent* lower than the average of three LARs).

It was observed that out of the three CAs used for calculation of the average rate of LAR, one CA was a Special Limited Tender[94] and the other two pertained to far-flung areas, namely New Bongaigaon and Katakhal Junction (distance from Kamalajari depot - 231 KM and 330 KM respectively).



As per the stipulated provisions, rates were to be ascertained on the basis of LARs of contracts executed in the same or adjoining areas for similar nature of work. Since Railway Administration did not comply with

93 CA No. SE/87 dated 22 May 2018, CA No. CON/L-H/2532 dated 14 March 2019 and CA No. CON/N-K/2452 dated 22 June 2018.

94 Special Limited Tenders may be adopted in the following situations in consultation with FA&CAO: (i) Works of specialised nature (to be approved by the PHOD personally). (ii) Works of urgent nature (to be approved by the GM personally).

the provisions for ascertaining average value of LARs, Audit worked out the rate on the basis of LAR of CAs awarded in similar nature of work in adjacent areas (Jagiroad, Chaparmukh and Lumding plain areas with distance from Kamalajari depot - 28 Km, 62 Km and 151 Km respectively) at around the same time. The rate so obtained (₹ 2,057.63 per cum - ***Annexure- 3.7***), was 27 *per cent* less than the rate worked out by Railway Administration (₹2,800.12 per cum). It was observed that since the estimated rate based on LARs was incorrectly enhanced, no negotiation was held with the tenderer to arrive at a competitive, reasonable and workable rate. Thus, Railway Administration accepted a higher rate contrary to the stipulated provisions. The awarded rate[95] was much higher than the rates of LARs of adjacent areas. This resulted in undue benefit of ₹ 9.40 crore to the contractor. ***(Annexure 3.8)***.

The matter was taken up with Ministry of Railways in April 2024. In their reply, MoR stated (July 2024) that in the instant case, rates were marginally higher (nine *per cent* above). Moreover the areas where ballast are to be supplied were surrounded by hills and road conditions were very poor. There was no rate available for supply of ballast at Depot in DEN/I/LMG section in the vicinity of KMLJ at the time of preparation of estimate for the work. In the absence of rates, it is the practice to collect market rates with Finance vetting and process for tendering. In the instant case, the detailed estimate was based on budgetary quotations as per RDSO from three agencies and was duly vetted by Finance.

As the work of depot supply of ballast at KMLJ was being done for the first time, estimate was based on budgetary quotations. Audit may appreciate that the rates do not include taxes (GST) nor the contractor's profit. Therefore, the estimate was already on lower side.

The reply of MoR is not acceptable because nine *per cent* above estimated rate cannot be considered as marginal. Further, the estimated rate was fixed without considering the prevailing average value of LAR of similar nature of work of adjoining areas (28 Km, 62 Km & 151 Km). In the instant case, the actual prevailing average value of LAR (₹ 2,057.69 per cum) was 27 *per cent* less than the contractual value (₹ 2,597.83 per cum) as awarded by the Railway Administration. Further, the adverse factors cited for justifying the higher rate (i.e. surrounded by hills and poor road condition), has not been explained in the Minutes of the Tender Committee meeting. Besides, when the rate of ballast quoted by the tenderer was unreasonably high in value then as per the

[95] **₹ 2,597.83 per cum.**

directives of Railway Board's letter of July 1985, Zonal Railway Administration should have gone for negotiation with the tenderer with a view to bringing down the rate.

Tender Committee did not consider the Last Accepted Rates (LAR) for similar nature of works of the same or adjacent areas and instead considered the LAR of unreasonably higher values of three CAs, from far-flung areas namely New Bongaigaon and Katakhal Junction (distance from KMLJ depot -231 Km and 330 Km), although LAR for the similar item and description of the work in the adjoining area from KMLJ depot under Lumding division (OL) was available at the time of preparation of estimate.

Thus, the Railway Administration gave undue benefit to the contractor towards procurement of machine crushed track ballast by incorrectly enhancing the average of last accepted rates in violation of provisions, resulting in acceptance of higher rates without negotiation. This resulted in undue benefit of ₹ 9.40 crore to the contractor.

Recommendation:

Responsibility may be fixed for giving undue benefit to the contractor.

3.12 Non-commissioning of Electric Loco Trip Shed in New Jalpaiguri led to blocking of funds: Northeast Frontier Railway

Improper planning and lack of co-ordinated efforts of Railway Electrification (RE) Organisation and Open Line (OL) Organisation of Northeast Frontier Railway led to non-commissioning of Electric Loco Trip Shed at New Jalpaiguri, and consequent blocking of funds of ₹ 9.33 crore.

Electric Loco Trip Shed (ELTS) is the first line maintenance spot where electric locomotives are inspected and attended at regular intervals after trips, thereby ensuring the reliability and safety aspects of electric locos.

An ELTS was to be constructed by Railway Electrification (RE)[96] at New Jalpaiguri (NJP) of Katihar division. The location of the trip shed was finalised at NJP (July 2017) and it was incorporated in the Engineering

[96] Railway Electrification as an Organisation was set up in 1961, with mandate to electrify Indian Railway tracks as approved by Government of India.

Scale Plan[97] (ESP) in connection with yard remodelling at NJP. The ESP was signed (between April to June 2018) by seven officers of RE and seven officers of Katihar (KIR) Division which included officers from Engineering, Operating, Signal & Telecommunication and Electrical departments apart from the Divisional Railway Manager of KIR division. The ESP was signed without any observation from any of the departments.

For the construction of trip shed, three Contract Agreements (CAs) for Engineering, S&T and Electrical were executed (between June 2018 and January 2020) by RE for final work value of ₹ 5.30 crore, ₹ 2.14 crore and ₹ 1.89 crore respectively (Total ₹ 9.33 crore).

While the construction process of the shed was nearing completion, the Principal Chief Electrical Engineer (PCEE), Northeast Frontier Railway (NFR) intimated (December 2019) Divisional Railway Manager (DRM), KIR that the construction of the trip shed had been done as per location plan duly approved by all concerned officers in ESP of NJP yard but the authorities of KIR division had asked RE organisation to make substantial changes in the plan which was not only costly but time consuming as well. It was also informed that the matter was brought to the notice of General Manager (GM)/NFR by RE organisation and GM/NFR had ordered – "Work to be done as per approved plan" (December 2019).

In January 2020, Operating Department of KIR division pointed out several drawbacks in connecting the trip shed to the DN Main line which *inter alia* included blocking of UP and DN line during changing of traction for UP trains; blocking of Pit line movement by Electric locos going to trip shed; and hindrance in rake formation in North yard and transfer of rakes from South yard to North yard. As a solution to the above constraints, Operating department suggested for provision of connectivity of the trip shed from South yard shunting lead, thereby reducing detention of all Mail/ Express and Goods trains.

General Manager (GM)/RE apprised (May 2020) General Manager, NFR about non-clearance of the matter to execute the work by KIR division which was delaying the project. He requested GM, NFR to look into the matter and issue necessary instructions to KIR division for execution of the work as approved so that the asset could be put to use without delay.

---

[97] **Engineering Scale Plan is the basis for yard layout of a station and Signalling plan. Utmost care has to be taken by the divisions while preparing and scrutinising the ESPs.**

Subsequently, with 90 *per cent* of completed work (pending linking of ELTS with Main Line), RE applied for Commissioner Railway Safety (CRS) sanction through Open Line (OL) organisation, Katihar Division in September 2020 for connectivity of ELTS to available railway network. But the application was not forwarded to CRS as Signal & Telecommunication (S&T) department of KIR division and zonal headquarters raised certain observations[98] (March/April 2021).

In this connection, Audit observed (April 2023) the following:

a. None of the seven officers of RE and seven officers of KIR Division including officers from Engineering, Operating, Signal & Telecommunication and Electrical departments had raised any observation to the ESP while signing it between April to June 2018.

b. Only when the construction of the shed was nearing completion, Operating department pointed out (January 2020) several drawbacks of the trip shed and asked RE organisation to make substantial changes in the plan. These problems should have been pointed out/assessed by Operating and S&T Departments at the initial stage of examination of the ESP.

c. GM/NFR without considering the said observations of Operating Department, ordered for doing the work as per the approved plan (December 2019).

d. Despite flagging of the issue by GM/ RE, the GM, NFR and the ZR did not take any concrete steps to resolve the matter for over four years.

The matter was brought to the notice of Railway Administration and RE in May 2023. In their reply (July 2023), NFR Administration agreed to the audit contention of deficient planning and lack of co-ordination between RE and OL Organisation of NFR for non-commissioning of the ELTS. It also stated that at the time of planning for Trip shed, Non-interlocking (NI) work of NJP was not started although the work was sanctioned in 2015-16. It would have been prudent to plan compositely for NI at NJP yard and commissioning of Trip shed.

Thus, failure of the Operating and S&T Departments of KIR division to point out the requirement/drawbacks at the time of approving the ESP,

[98] **Advance wiring done by RE required at least 24 hours Non-interlocking (NI) working at NJP W/A Cabin for commissioning of ELTS. Provision of Electric Loco Trip Shed at NJP was planned without any reference to the Electronic Interlocking (EI) work.**

and lack of co-ordinated efforts between RE and OL organisation of NFR led to non-commissioning of the ELTS, New Jalpaiguri and consequent blocking of funds of ₹ 9.33 crore.

The matter was referred to MoR in May 2024; no reply was received (July 2024).

Recommendations:

- ***Responsibility of officers of Operating and Signal & Telecommunication Departments may be fixed for not raising the requisite observations and mentioning the drawbacks in the Engineering Scale Plan while signing the same.***
- ***RE and OL Organisation of NF Railway need to work out a solution with a specified time-frame, to ensure that the ELTS becomes operational for reliability and safety aspects of electric locomotives.***

3.13 Infructuous expenditure on construction of a terminal station: Eastern Railway

Decision to execute buffer-ended loop deviating from original plan without realising the operational constraints resulted in infructuous expenditure of ₹ 7.62 crore with further undischarged liability of ₹ 1.65 crore in connection with construction of New Garia Terminal station.

To handle the anticipated growth of passengers from Sealdah South section on completion of the Metro terminal at Garia and the sanctioned doubling projects, construction of New Garia Terminal station was proposed in June 2010 by the Senior Divisional Operations Manager/Sealdah (Sr.DOM/SDAH), with two loop lines, three stabling lines and two island platforms at an anticipated cost of ₹ 36 crore. It was contemplated that new trains would be introduced from New Garia station to Diamond Harbour, Canning and Lakshmikantapur sections to make it a passenger interchange terminal between Metro Railway and South Suburban line of Eastern Railway (ER).

Ministry of Railways (MoR) sanctioned the work for construction of New Garia Terminal station in 2010-11 at a cost of ₹ 14 crore against the projected cost of ₹ 36 crore. In view of reduced sanctioned cost, the Chief Planning and Design Engineer (CPDE) with approval of the

Additional General Manager (AGM) pruned down the Abstract Estimate of ₹ 36 crore to ₹ 14.63 crore by deleting six items of work[99].

The Detailed Estimate amounting to ₹ 19.71 crore was sanctioned by MoR in February 2012. Subsequently, the Master Engineering Scale Plan (ESP) was approved in June 2012 and the Letter of Acceptance (LOA) for civil engineering work was awarded in August 2014.

In June 2014, Chief Passenger Transportation Manager (CPTM)/ER, citing extreme importance of the work from passenger amenities point of view, urged Chief Administrative Officer (CAO)/Construction for immediate construction of one loop with buffer end[100] to facilitate originating and terminating facility for suburban trains of Sealdah Division at New Garia. The Chief Operations Manager (COM), in July 2014 during works review meeting, also desired that minimum one line with dead end at Sealdah end be made available to the Division to receive and dispatch Electrical Multiple Unit (EMU) trains from New Garia station. Fund was assured to be arranged by COM as the work had been identified as a priority item. It was decided to finalise signaling and electrical contracts at the earliest for commissioning of the dead-end loop line by 31 July 2015. LOAs were awarded for signaling work in October 2014 and for electrical work in July 2015. The modified ESP was approved in May 2015. In the modified plan, it was decided to drop the construction of UP loop with stabling lines towards Ballygunge end due to presence of encroachment and to have one buffer ended UP reception cum DN dispatch line only.

The work as per modified plan was completed and the assets were ready for commissioning from October 2017. However, non-interlocking (NI) work required for connectivity of the loop line with the existing main line tracks was not sanctioned in spite of request to DRM/Sealdah[101] (October 2017) and CFTM/ER[102] (November 2017) and the terminal station could not be commissioned despite being completed as per modified plan.

---

[99] which included provision of one DN loop line, new platforms and Foot Over Bridges. It was decided that UP loop line would have common loop facility providing passage for two stabling lines.

[100] Dead End

[101] Divisional Railway Manager/Sealdah

[102] Chief Freight Transportation Manager/ER

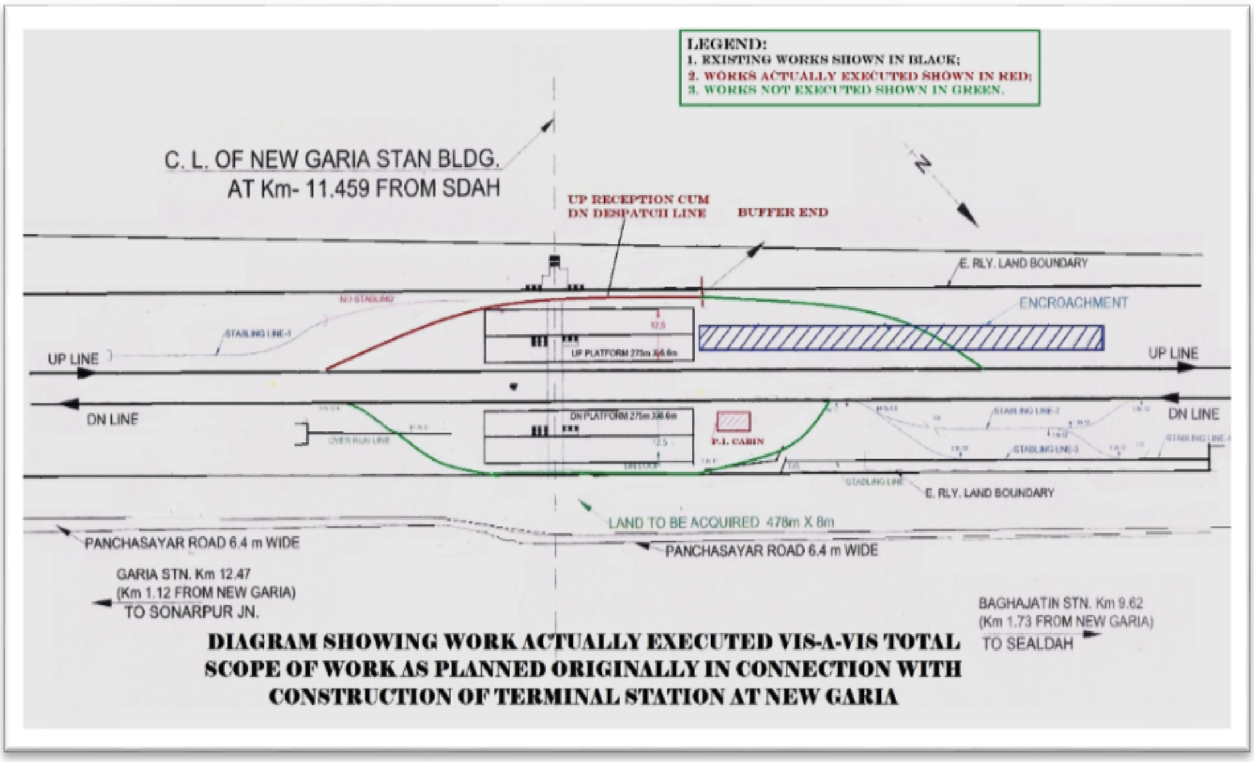


DIAGRAM SHOWING WORK ACTUALLY EXECUTED VIS-A-VIS TOTAL SCOPE OF WORK AS PLANNED ORIGINALLY IN CONNECTION WITH CONSTRUCTION OF TERMINAL STATION AT NEW GARIA

After execution of work as per modified ESP, Sr. DOM/SDAH expressed (June 2019) his concerns about commissioning of New Garia as Block station with the newly constructed loop with buffer end citing several operational constraints[103]. It was submitted that introduction of new trains or offloading of existing services starting from New Garia would add to congestion in the already oversaturated suburban section and would not benefit the Division. DRM/ SDAH and Principal Chief Operations Manager (PCOM)/ER, considering no resultant tangible benefit from the work executed with inadequate infrastructure, proposed for dropping of the project. Accordingly, Construction Department was asked[104] to drop the project from the Pink Book. In the Works Review Meeting in June 2021, it was intimated that the work was not required by the Division as the complete loop line providing connection on both ends could not be constructed due to encroachment in railway area. The work was deleted from Indian Railways Projects Sanctions & Management (IRPSM) in July 2021 and the station remained un-commissioned.

[103] **Slowing down the existing running of trains, massive bunching of trains in case of any failure, no scope of introduction of any train due to saturation of line capacity, requirement of extra manpower to operate the station involving financial implications without any operational benefits, non-availability of window to start or terminate trains at New Garia during peak hours due to longer time gap between consecutive trains, *etc*.**

[104] **By Dy. COM/Planning (27 June 2019) and Sr. DOM/Sealdah (3 July 2019).**

Thus, the proposal of the Operating Department for construction of New Garia Terminal station and its subsequent execution with deviation from the original scope led to inconsistent and conflicting decisions over time. The expenditure of ₹ 7.62 crore incurred on the project till June 2023 as per Works Register remained infructuous. In addition, there remained a further left out liability of ₹ 1.65 crore as the final bills along with final escalation bills of the related contracts for the work had not yet been prepared.

The matter was taken up with Eastern Railway Administration in April 2023 and July 2023 respectively. In their reply (June 2023), the Operating Department contended that (i) operational constraints of non-availability of DN loop were foreseen by authorities concerned; (ii) construction of buffer-ended loop was an administrative decision as a temporary measure with anticipated elimination of encroachment and subsequent execution of work as per plan with desired outcome; and (iii) the decision to drop the work was an informed and judicious one instead of keeping the project alive for decades without any fruitful progress. However, the Construction Department (the work executing authority) contended that no operational constraints were cited by the Operating Department at the time of deletion of DN loop line. Construction of buffer ended UP loop line was the requirement of the Operating Department and they approved the modified Plan. During the proposal or at the time of approval of the revised plan, no operational constraints for non-execution of complete UP loop with stabling lines were referred to by the Operating Department. The work was carried out only after getting approval of the modified Plan by all concerned Departments.

The reply of Railway Administration is not acceptable because while proposing the construction of buffer-ended loop, neither CTPM nor COM termed it as a temporary measure. Instead, it was pushed through as a priority work and in the process, the plan for execution of the complete UP loop with stabling lines was dropped. Discovering operational constraints after the execution of the project cannot be termed as an informed and judicious decision. Thus, failure of the Railways to assess beforehand the operational constraints of providing buffer-ended loop line resulted in infructuous expenditure of ₹ 9.27 crore (₹ 7.62 crore + ₹ 1.65 crore).

The matter was referred to MoR in December 2023; no reply was received (July 2024).

Recommendation:

Ministry of Railways may ascertain from the Operating Department of Eastern Railway the reasons for initially proposing the work for construction of Terminal station at New Garia as a priority work and

later proposing for dropping the work. Responsibility of the officers concerned in the Operating Department may be fixed.

3.14 Avoidable extra expenditure of ₹ 7.40 crore on transportation of PSC sleeper due to mismanagement of supply chain: South East Central Railway

Due to non-compliance of Railway Board's instructions and mis-management of supply chain, South East Central Railway incurred avoidable expenditure of ₹ 7.40 crore towards transportation of Pre-stressed Concrete sleepers from longer distance despite availability of sleepers in the nearest Sleeper Plant.

Ministry of Railway (MoR) vide letter no. 2004/TK-II/22/11/5 (Shifting), dated 05 December 2019 introduced a new policy for setting up of Sleeper Plants. Para 1.3.2 of the policy stipulates that the plant should preferably be located nearer to the centre of consumption so that transportation cost of the sleepers is minimal. MoR revised the policy in February 2021[105] and again emphasised that any firm satisfying qualifying requirements can be allowed to set up Concrete Sleeper Plants with an intention of supplying sleepers from a location nearby consumption centre so that the cost of freight of sleepers is limited.

South East Central Railway (SECR) is having four Concrete Sleeper Plants (CSP) located in three divisions[106]. Out of these four Sleeper Plants, one sleeper plant is at Kargi Road in Bilaspur Division, one sleeper plant is at Dongargarh in Nagpur Division and two sleeper plants are at Kapa and Bhanpuri in Raipur Division. Production under contract CS-172/2018[107] in CSP Kargi Road and Dongargarh was started from November 2019, while production in Kapa and Bhanpuri Sleeper Plants was started from February 2021. Details of sleepers produced and dispatched by Concrete Sleeper Plants under CS-172 during 2019-20 to 2022-23 are shown in **Table 3.5**:

105 Railway Board letter no. 2004/TK-II/22/11/5 (Shifting) dated 19 February 2021 (para 1.2.2).

106 Kargi Road (Bilaspur), Dongargarh (Nagpur), Kapa & Bhanpuri (Raipur)

107 CS-172/2018 is an agreement executed between Railway Board and Sleepers Plants for manufacture and supply of Broad-Gauge pre-stressed Mono-Block Concrete sleepers.

Table 3.5: Production and despatch of Sleepers by different Sleeper Plants

Name of the Concrete Sleeper Plant (Division)	Sleepers produced during 2019-20 to 2022-23	Sleepers despatched during 2019-20 to 2022-23
Kargi Road (Bilaspur)	9,63,713	8,65,521
Dongargarh (Nagpur)	3,70,713	3,26,341
Kapa (Raipur)	1,50,504	1,29,696
Bhanpuri (Raipur)	1,44,444	1,34,577
Total	**16,29,374**	**14,56,135**

***Source:** (a) Production and dispatch register maintained at Kargi Road (Bilaspur), Dongargarh (Nagpur), Kapa and Bhanpuri (Raipur) Sleeper Plants*
(b) Records maintained in the Office of the Principal Chief Engineer/SECR

Scrutiny (August to November 2023) of production and despatch data under CS-172 of PSC sleepers maintained in the Office of the Principal Chief Engineer/SECR and Concrete Sleeper Plants revealed that except on a few occasions[108], Sleeper Plants were producing enough sleepers to cater to the needs of their own division. However, despite availability of required number of sleepers in CSP located in the same division, supply of sleepers was planned from CSP located in the other divisions. As a result, sleepers were being despatched to other divisions and *vice versa* without considering the distance and transportation cost.

For instance, 9650 sleepers were supplied from Dongargarh Sleeper Plant to Tilda Station under Raipur Division in September 2021. The distance from Tilda to CSP/Dongargarh and CSP/Kapa/Bhanpuri is 136 Km and 37 Km respectively. During the same period (September 2021) Inspection Certificate (IC) was issued for 20,107 sleepers at Kapa and Bhanpuri sleeper plants. Thus, there were enough sleepers at Kapa and Bhanpuri to cater to the need of Tilda station. In the same month (September 2021) 10,941 sleepers were despatched from Kapa/ Bhanpuri sleeper plants to Construction units of Bilaspur and Brajrajnagar of Bilaspur Division. The distance from Kapa/Bhanpuri to Bilaspur and Brajrajnagar is 110 Km and 310 Km respectively. Audit further observed that more than 1 lakh sleepers were available at Kargi

---

[108] **January 2020, March 2020, May 2020, June 2020, November 2020, December 2020, January 2021, May 2021 and June 2021.**

Road sleeper plant which is only 32 km and 247 km away from Bilaspur and Brajrajnagar stations respectively.

Details of sleepers supplied under CS-172 from sleeper plants located in the other divisions are shown in **Table 3.6**:

Table 3.6: Avoidable transportation cost[109] due to despatch of sleeper to other divisions despite their availability in that division

Name of the division	Total quantity received from other divisions	Total quantity received despite availability of sleepers in the nearest sleeper plant	Cost of transportation (for the sleepers in Col. 3) from the Sleeper Plant in the other division (in ₹)	Cost of transportation (for the sleepers in Col. 3) from the Sleeper Plant in the same division (in ₹)	Avoidable transportation cost due to despatch of sleepers to other divisions despite their availability in that division (in ₹)
Bilaspur	1,33,391	1,18,720	4,48,94,708	2,68,71,509	1,80,23,199
Raipur	2,29,392	88,127	1,65,95,893	49,57,220	1,16,38,673
Nagpur	2,55,836	1,71,123	8,16,39,771	3,73,46,078	4,42,93,693
Total	**6,18,619**	**3,77,970**	**14,31,30,372**	**6,91,74,807**	**7,39,55,565**

Thus, 3,77,970 sleepers were transported to other divisions despite availability of these sleepers in the sleeper plants of the home division. SECR Engineering (Open Line and Construction Departments) did not follow MoR policy *ibid* and transported these sleepers from/to a farther place despite availability of these sleepers at the nearest sleeper plant. Thus, both the departments did not manage the supply chain properly. Audit assessed avoidable expenditure towards transportation cost of ₹ 7.40 crore due to mismanagement of supply chain of 3,77,970 sleepers.

The matter was taken up with Ministry of Railways in June 2024. In their reply, MoR stated (July 2024) that the demand of sleepers of Construction Organisation was high in the month of April-June 2021 and due to non-availability of railway siding at CSP Bhanpuri, majority of the ICs were issued to Construction Organisation. There was a stock of only 2000 numbers of sleepers (IC issued in favour of Open Line) at

109 Avoidable cost of transportation has been calculated for the number of sleepers supplied to other divisions (longer distance) despite their availability in that division. The cost of transportation (Col 4 & 5) has been calculated on the basis of distance travelled between Sleeper Plant and Delivery station.

CSP/Kapa while the rest of the sleepers were belonging to Construction Organisation. Hence, due to insufficient sleepers (belonging to Open Line), rakes were placed at CSP/DGG and 5000 numbers of sleepers were dispatched to TLD. Transportation of sleepers by road by longer routes happened due to unequal production capacity of CSPs, unequal distance of projects, readiness of projects, last minute hurdles like non-completion of bridges, formation, *etc*.

The reply of MoR is not acceptable because despite availability of more than one lakh sleepers at the nearest sleeper plant (CSP/Kargi Road) which is only 32 km and 247 km away from Bilaspur and Brajrajnagar stations, booking instructions for supply of sleepers to Bilaspur and Brajrajnagar station was issued to CSP/Kapa which is about 110 km and 310 km away from Bilaspur and Brajrajnagar stations. The 112 instances noticed during the course of review was on account of the supply chain not being managed properly. In the instant case, the total avoidable loss pointed out by Audit mainly occurred due to transportation of sleepers by road i.e. ₹ 6.27 crore (which accounts for around 85 *per cent* of the total avoidable loss i.e. ₹ 7.40 crore).

Recommendation:

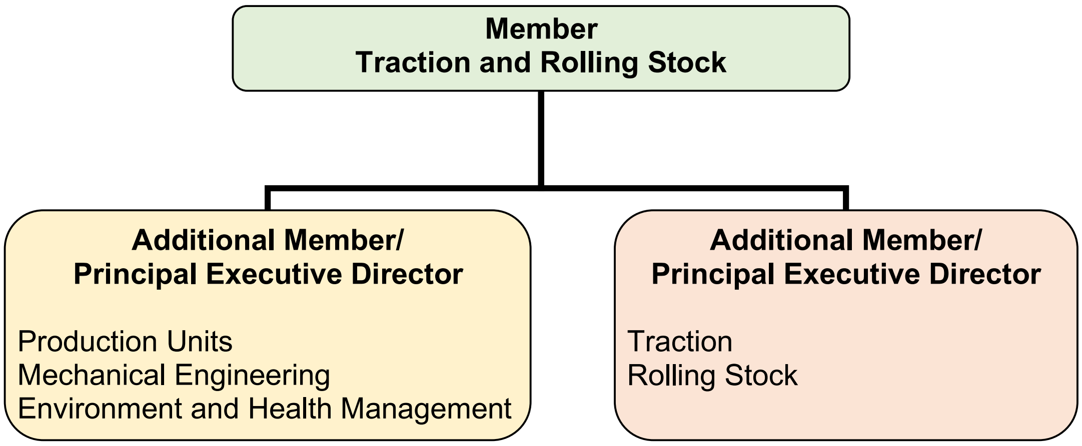
MoR may develop a mechanism so that sleepers can be sourced from the nearest sleeper plants to save on transportation cost.

CHAPTER IV: TRACTION AND ROLLING STOCK

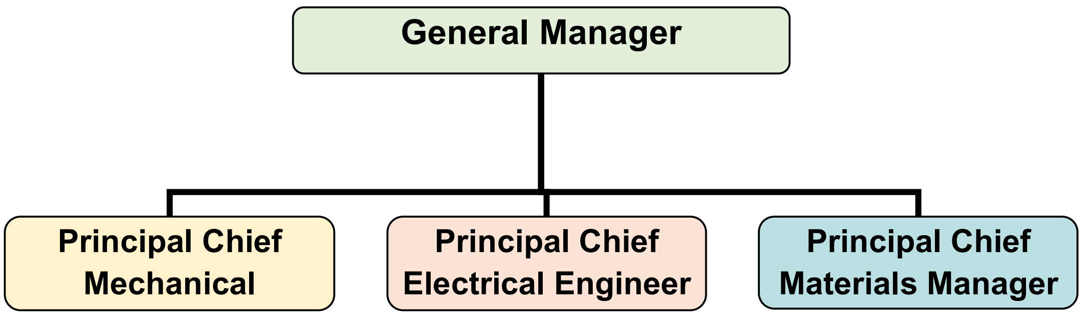
Chapter IV – Traction and Rolling Stock

Member (Traction and Rolling Stock) at Railway Board[110] is the overall in-charge of Mechanical Department including Workshops and Production Units as well as Store Department. The works related to Electric Multiple Unit/Mainline Electric Multiple Unit (EMU/MEMU) and electrical maintenance of all coaching stock along with Environment and Health Management (EnHM) is also the responsibility of the Member (Traction and Rolling Stock).

Railway Board Level



Zonal level



At Zonal level, Principal Chief Mechanical Engineer (PCME) is responsible for overall supervision and maintenance of all coaches, wagons *etc.* Chief Workshop Engineer (CWE) is overall in-charge of the workshops, who reports to PCME and undertakes maintenance of rolling stock and related items. Principal Chief Electrical Engineer is overall

---

[110] **Revised Organisational Structure of Railway Board issued vide MoR's Office Order No.64 of 2020 dated 8 September 2020.**

in-charge of electrical maintenance of Electric rolling stock, which includes Electric Locos, Electric Multiple units, Electric Loco sheds, Electric Workshops, General services and Over Head Traction services, *etc*.

Total revenue expenditure on repair and maintenance of rolling stock[111] in the workshop during 2022-23 was ₹ 20,833.41 crore[112]. Operating expenses on rolling stock and equipment was ₹ 20,473.95 crore[113] during 2022-23. Further, capital expenditure on Production Units[114] during 2022-23 was ₹ 30,321.18 crore. During the year, apart from regular audit of vouchers and tenders, 620 offices of the Mechanical Department were taken up for inspection.

Store Department is responsible for planning and procurement of various types of stores required for operations and maintenance of trains. These include supply of spare parts, components, fittings, sub-assemblies to production units, maintenance and manufacturing workshops. The Department is also responsible for total inventory management of all stores, their purchase and distribution to consignees. Besides this, Store Department also carries out disposal of scrap items through public auction and tenders (selected items).

At the Zonal level, Principal Chief Material Manager is the principal head of the Department who is assisted by Chief Material Managers and Deputy Chief Material Managers. At Divisional level, Senior Divisional Material Manager is head of the Department and reports to Divisional Railway Manager. Total expenditure of the Stores Department during 2022-23 was ₹ 1,156.27 crore[115]. During the year, apart from regular audit of vouchers and tenders *etc*., 180 offices of the Stores Department were inspected.

This Chapter includes four individual paragraphs. These paragraphs highlight compliance issues that relate to creation of ineffective and deficient assets, short recovery of electricity charges and material management, *etc*.

---

[111] **Including Carriages & Wagons, Plant & Equipment.**

[112] **Sub head 3002-3003 (4)-Repair and maintenance of Carriages and Wagons and Minor head 300 of Sub head 3002-3003 (5)- Repair and maintenance of Plant and Equipment- Appropriation Accounts– 2022-23.**

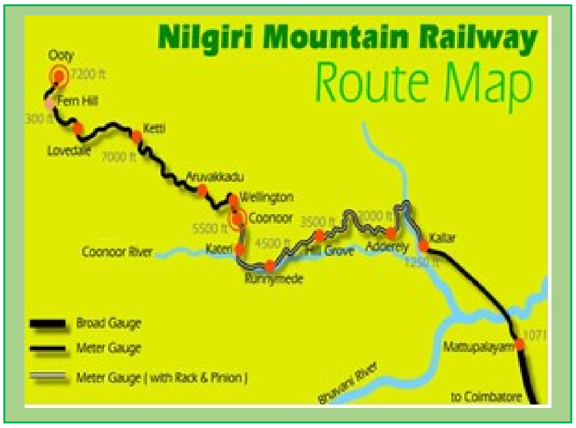
[113] **Sub head 3002-3003 (6)-Operating Expenses- Rolling Stock and Equipment-Appropriation Accounts – 2022-23.**

[114] **ICF/Chennai, RCF/Kapurthala, RCF/Raebareli, RWP/Bela, RWF/Yelahanka, PLW/Patiala, BLW/Varanasi and CLW/Chittaranjan- Appropriation Accounts – 2022-23.**

[115] **Minor Head 400 of Sub head 3002-3003 (01)- General Superintendence and Services- Indian Railways Appropriation Accounts-2022-23.**

4.1 Manufacturing of coaches for Nilgiri Mountain Railway (NMR) without assessing basic technical requirement: Southern Railway and Integral Coach Factory

Southern Railway (SR) planned (May 2015) to replace 28 Nilgiri Mountain Railway (NMR) Meter Gauge coaches. Ministry of Railways advised Integral Coach Factory (ICF) (July 2015) to design and develop a prototype coach. ICF manufactured 28 NMR coaches and delivered these (between March 2019 and March 2021) to SR at a cost of ₹ 27.91 crore. ICF did not comply with the instructions of MoR in developing a prototype coach in consultation with Research, Design and Standards Organisation (RDSO) which led to creation of ineffective and deficient assets at a cost of ₹ 27.91 crore as NMR coaches were not put to effective use even after three years of manufacturing.



Nilgiri Mountain Railway (NMR) is a metre gauge railway operated by Southern Railway (SR). The railway line of 45.88 Km from Mettupalayam (MTP) to Udagamandalam (UAM) consists of three sections *viz*. MTP to Kallar (QLR) (7.46 km), QLR to Coonoor (ONR) (19.57 km) and ONR to UAM (18.85 km). The section from QLR to ONR is a rack[116] section due to the steep gradient[117] of 1 in 12.28[118]. The composition of one NMR rake is of four coaches *viz*. one First class (FCZ), two second class (SCZ) and one second class chair car-cum-brake van (SLR/SCZR).

Out of the total 28 NMR old coaches (wooden/steel body), 27 coaches were in operation as on July 2024. To replace these 100 year old coaches, SR approached Ministry of Railways (MoR) (May 2015) to

---

[116] **A rack railway, also called as rack-and-pinion railway, is a steep grade railway with a toothed rack rail, usually between the running rails. The trains are fitted with one or more cog wheels or pinions that mesh with this rack rail.**

[117] **Any departure of track from the level is known as grade or gradient. An up or rising gradient is one when the track rises in the direction of movement whereas a falling or down gradient is one when the track falls in direction of the movement.**

[118] **A rise of 1 m for every 12.28 m.**

advise Integral Coach Factory (ICF) to design and develop a prototype coach to suit NMR and on successful trials, the complete fleet of coaches plying in the NMR system could be replaced progressively. Accordingly, Ministry of Railways advised (July 2015) ICF to manufacture a prototype coach for NMR in consultation with Research, Design and Standards Organisation (RDSO), based on inputs given by SR.

Ministry of Railways in their Rolling Stock Programme (RSP) 2016-17, included the work of manufacturing of 15 NMR coaches. Accordingly, ICF (April 2016) submitted layouts for the three variants *viz*. FCZ, SCZ and SLR. Based on the suggestions of SR, ICF froze (October 2016) the design and layouts of all the three variants. ICF manufactured 15 NMR coaches as per the RSP 2016-17 which were delivered to SR in three lots[119]. Again, as per RSP 2018-19, 13 more NMR coaches were to be manufactured by ICF. A trial run was conducted from MTP-UAM and UAM to ONR on 2 April 2019 with the first four coaches manufactured by ICF but the trial was not conducted in ONR-MTP section which included the gradient section 'ONR-QLR'. SR noticed (March 2020) that there was an increase in weight of the new coaches by around 5 tonnes each and advised ICF to reduce the weight in the remaining 13 coaches yet to be manufactured. However, no action was taken by ICF in this regard and 13 more NMR coaches were manufactured and delivered to SR in three lots[120]. In all, 28 NMR coaches were manufactured by ICF and delivered to SR at a total cost of ₹27.91 crore. All the exercises of finalisation of RSP, freezing the design and layouts and manufacturing of 28 new coaches were done without any consultation with RDSO and also without ascertaining the manufacturing and successful trial of the prototype coach.

These new 28 NMR coaches could not be put to regular passenger use due to the following deficiencies noticed during the trial runs:

- The normal full load of the earlier rake composition of 4 NMR coaches with maximum occupation was about 60 tonnes whereas with 4 new NMR coaches with maximum occupation, it was 73 tonnes.

[119] March 2019-4 nos., September 2019-4 nos. and February 2020-7 nos.

[120] February 2021-4 nos. and March 2021-9 nos.

- During various load trials, it was observed that due to the excess weight, the beat[121] of the locomotive hauling the train was noticed to be overloaded and tended to bogging[122].
- Continuous wheel slip was also experienced in the locomotive during the uphill ride in the rack section and the train was unable to maintain its maximum permissible speed.
- The hauling capacity of the steam locomotive (X-Class loco) was 65 tonnes in the gradient of 1 in 12.5 and hauling the train with 4 new coaches with an average load of 73 tonnes would result in running the locomotive with exorbitantly high load factor. Hence, running the train with four or more new NMR coaches was not recommended due to maintenance and safety concerns.
- During downhill ride, the speed of the train could not be controlled without application of vacuum brakes.
- The condition would be critical with wet rails. In a downhill ride during drizzling, the speed of the train exceeded uncontrollably (more than 20 kmph) and could not be controlled even after applying vacuum brake from locomotive in addition to application of full rack and adhesion brakes in all the coaches and compression brake of the locomotive. The train was finally stopped by applying hand brakes of the locomotive.

In view of the afore-mentioned deficiencies, SR administration noticed that for enhancing the brake power and for running the trains with four new NMR coaches, reduction of weight to the maximum possible extent was essential. Accordingly, one First class coach was modified (September 2022) by SR at MTP Depot. The weight of the coach which was 15 tonnes before modification was reduced by 900 kgs. Subsequently, five NMR coaches were also modified (March 2023) and a trial run was again conducted on 20/3/2023 from MTP to ONR and back. Even after modification, wheel slip in locomotive was experienced during the trial run in rack section between QLR-ONR section despite the weather being supportive with clear skies and dry weather.

Despite deficiencies noticed in the trial run, SR introduced weekly special train services from 15/7/2023 between MTP and UAM with the newly manufactured NMR coaches which were put to use in the special trains. Presently (May 2024), 15 out of the total 28 new NMR coaches

[121] **Beat means the sound produced by the steam locomotive when it is not able to pull the train.**

[122] **Bogging means to prevent something from moving on or progressing.**

have been put to use for operation as weekly special trains without approval of Railway Board.

Thus, an imprudent decision was taken to manufacture 28 new NMR coaches without any consultation with RDSO and also without ascertaining the manufacturing and successful trial of the prototype coach despite clear instruction of MoR (July 2015). Moreover, freezing the design and layout by SR and manufacturing the coaches by ICF without addressing the core issues of weight of the coaches and hauling capacity of the locomotive, was also a premature decision which attributed to manufacturing of these deficient coaches. Hence, the coaches manufactured at a cost of ₹ 27.91 crore could not be put to effective use even after lapse of more than three years of manufacturing. Railway's improper decision which is in the nature of compromising the safety of the passengers by introducing the deficient coaches to serve as Special train without sanction of the Ministry of Railways, is also a serious lapse on the part of the Railways.

The matter was taken up with the Railway Administration in September 2023. In their reply, SR administration stated that deficiencies noticed during trial run was advised to ICF for rectification. As far as increase in tare weight is concerned, they stated that it was due to use of steel body frame. It was further stated that before conducting the trial run again on 20/3/2023, the coaches were modified through reducing their weight by 900 kgs. However, from the haulage capacity perspective, further weight reduction in new coaches was required to suit hauling by X class loco. As regards operation of new NMR coaches, it was stated that 18 coaches are being used in weekend/joyride special trains and further service will be improved once sanction is received from Railway Board.

The reply of SR Administration was not acceptable. Nothing has been stated in the reply regarding manufacturing of 28 new NMR coaches without any consultation with RDSO and also without ascertaining the manufacturing and successful trial of the prototype coach despite clear instruction of MoR. Further it is evident from the reply of the SR administration that the deficient coaches were put to use for operation without obtaining sanction from Railway Board.

The matter was referred to MoR in June 2024; no reply was received (July 2024).

Recommendation:

Ministry of Railways may develop a robust mechanism for development of prototype coaches in consultation with RDSO and only after successful trial run, regular production of coaches

should be started to avoid creation of ineffective and deficient assets.

4.2 Short recovery of electricity charges from the occupants of Railway quarters: East Central Railway

Non-implementation of the revised rate of electricity charges of various State Electricity Boards (SEBs) for recovery from the occupants of Railway quarters in Dhanbad Division of East Central Railway resulted in short recovery of ₹ 14.89 crore.

Ministry of Railways (MoR) instructed[123] that Railway employees residing in the Railway colonies should be charged at the same rate as they would have paid if they had taken supply of electricity directly i.e. they will pay at the same rate as the residents of adjoining colonies are billed for electricity consumption for domestic purposes from the local supply authorities.

Dhanbad Division of East Central Railway (ECR) purchases electricity from three different State Electricity Boards (SEBs) (JSEB, UPPCL, MPPCL, *etc.*)[124] for the Railway quarters and other service buildings located in Dhanbad Division.

Scrutiny of the records (November 2018) of O/o Sr. Divisional Electrical Engineer/General (Sr. DEE/G) and its subordinate offices, maintained for determining and recovery of electricity charges from the occupants of Railway quarters of Dhanbad Division, revealed that a Joint Procedure Order (JPO)[125] for recovery of electricity charges from staff occupying Railway quarters, was issued by O/o the Sr. DEE/G/DHN. As per the JPO, the rate for recovery of electricity charges from the occupants of Railway quarters was fixed taking into consideration the fixed units and maximum demand for each type of quarters based on the prevailing rate of the concerned SEBs. The provision of the JPO further stipulates that the rate of recovery was to be changed on receipt of revised tariff from the concerned Electricity Board. All the bill preparing units of Dhanbad Division were instructed to arrange recovery at the fixed average rate. However, necessary adjustments for the average recovery was to be made immediately on finalisation of the meter reading and pricing for the

[123] **Letter no. 84/Elec.I/150/2 dated 21 January 1987.**

[124] **JSEB- Jharkhand State Electricity Board, UPPCL- Uttar Pradesh Power Corporation Limited, MPPCL- Madhya Pradesh Power Corporation Limited.**

[125] **Letter no. EL/1219/Rates/2014-15/2202 dated 10 June 2014.**

actual consumption. Actual billing based on actual metering consumption was to be effected from the date of commissioning of the meter.

Further scrutiny of records maintained for recovery of electricity charges, revealed that though the various SEBs revised their tariffs from time to time, Dhanbad Division did not revise the rate of electricity charges which was mandatory as per the provision of the JPO. Audit took up the matter for the first time during compliance audit in 2018-19. After being pointed out by Audit, Dhanbad Division revised the fixed rate of recovery in June 2022 based on the prevailing tariff rates of concerned SEBs. Though the rate of electricity was revised in June 2022, recovery on account of annual revision of the rate by the State Electricity Boards since 2010-11 has not been made from the Railway quarter occupants.

On the basis of availability of records, Audit calculated the difference between 'the amount to be recovered as per the revised rates' and the 'amount actually recovered' in respect of different types of residential quarters for the period from 2016-17 to 2021-22. The comparison revealed that an amount of ₹ 14.89 crore was short recovered during this period.

Moreover, the average units of consumption fixed in October 2001 on the basis of which the recovery being made had been remained unchanged. Similarly, the Maximum Demand (Fixed Load) had also been unchanged since September 2013. The recovery of electricity charges was being made at the fixed rate despite the fact that the provision of JPO was made for the intermittent period upto which the actual metering of the Railway quarters was started. Dhanbad Division of ECR had not started recovery of electricity charges on the basis of actual consumption in spite of the fact that all the quarters were metered with conventional meter which was further replaced with the Electronic meter vide LOA dated 20 May 2013.

The matter was taken up with the Railway Administration in September 2023. The issue was discussed in a meeting which was held with the Additional General Manager (AGM), Principal Finance Advisor (PFA) and Chief Electrical General Engineer (CEGE) on 07 December 2023. The CEGE accepted the Audit contention and stated that due to shortage of manpower actual meter reading could not be done upto 2021-22 and he assured that the amount of recovery in respect of the aspects pointed out by Audit will be calculated and recovery of the same would be done in a phased manner.

Though the contention of Audit was accepted by the ECR Administration, recovery of electricity charges in accordance with the provision of JPO, is still pending. Action taken regarding recovery on the basis of actual meter reading has also not been communicated to Audit.

The matter was referred to MoR in June 2024; no reply was received (July 2024).

Recommendation:

MoR may ensure recovery of electricity charges from Railway employees residing in the Railway colonies at the same rate as they would have paid if they had taken supply of electricity directly from the SEBs.

4.3 Injudicious procurement of Coach Shot Blasting Plant: Eastern Railway

Disregarding Liluah Workshop's submission on its unsuitability, one Coach Shot Blasting Plant compatible with Linke Hofmann Busch (LHB) coaches only was procured and commissioned in the Workshop as an integral part of mechanised system of painting of coaches. However, subsequent decision of Workshop Authority to outsource the painting and allied works of LHB coaches rendered the procurement of the plant at a cost of ₹ 12.66 crore injudicious.

Mechanised Painting System[126] was proposed (2008-09) for painting of railway coaches by mechanical means in the Modernisation Project of Liluah Workshop. Accordingly, one Coach Shot Blasting Plant and one Baking Oven were sanctioned in Preliminary Works Programme (PWP) 2008-09 under Modernisation Project of Liluah Workshop. One Paint Booth had already been sanctioned earlier in PWP 2006-07 in a different project[127]. In October 2010, Liluah Workshop Authority stated that introduction of the Mechanised Painting System would affect the cycle time of Periodic Overhaul (POH) and would not be suitable in the workshop in view of requirement of huge space and extra manpower, double lifting of coaches, *etc*.

In November 2015, the procurement of the Paint Booth was dropped. Coach Shot Blasting Plant and Baking Oven were also proposed for

[126] **Mechanised Painting System comprises of Coach Shot Blasting Plant, Paint Booth and Baking Oven. The sequence of painting involves shot blasting of coach in Coach Shot Blasting Plant for surface preparation, application of primer, surfacer and two coats each of tri-colour paint in stages in Paint Booth and drying each coat of primer/paint in Baking Oven.**

[127] **Facilities for overhauling of new generation coaches including upto 26 M long coaches – sanctioned in 2006-07**

dropping in December 2016. However, in July 2017, as per directives of Member Rolling Stock/Ministry of Railways, the Chief Mechanical Engineer/Planning (CME/Plg.), Eastern Railway (ER) asked the Chief Workshop Manager/Liluah (CWM/LLH) to send all indents for Machinery and Plant (M&P) items under Modernisation Project of Liluah Workshop. In response, it was intimated by Deputy CME (Mechanical) to CME (Plg.) that since the process of surface preparation by Coach Shot Blasting Plant would be better suited for Production Units as well as Mid-life Rehabilitation (MLR) Shops, Coach Shot Blasting Plant was not required in Liluah Workshop.

In September 2018, the CME/Plg./ER decided to install a complete Painting System for Railway Passenger Coaches at Liluah Workshop. Accordingly, indents for Coach Shot Blasting Plant and Paint Booth with Baking Oven were placed with Central Organisation for Modernisation of Workshops (COFMOW) in August/September 2019. The Coach Shot Blasting Plant costing ₹ 12.66 crore and the Paint Booth along with Baking Oven costing ₹ 11.30 crore were received in Liluah Workshop in November 2021 and March 2022 respectively. Both the machines were commissioned in February 2023 and were inaugurated on 29 March 2023. In the meanwhile, Liluah Workshop Authority decided (May 2022) to get painting of all Linke Hofmann Busch (LHB) coaches with all allied works like surface preparation through outsourcing. The shot blasting and painting of the bogie frames of the LHB coaches in the workshop were also outsourced (December 2022).

Scrutiny of contract documents of the Coach Shot Blasting Plant revealed that:

(i) The bid documents for procurement of the machine specified requirement of a Coach Shot Blasting Plant capable of handling both Integral Coach Factory (ICF) and LHB type of coaches. Disregarding Liluah Workshop's submission regarding its unsuitability, the Coach Shot Blasting Plant was procured and commissioned. However, the procured plant could deal with stainless steel LHB coaches only.

(ii) During the period from April to November 2023, the POH outturn of Liluah Workshop included 912 ICF coaches and 457 LHB coaches. Despite the commissioning of three M&Ps, only six LHB coaches (1.3 *per cent*), including those for trial purposes, were shot blasted in the Coach Shot Blasting Plant during the same period. Furthermore, no LHB coach was painted in the Paint Booth, while 437 ICF coaches (47.9 *per cent*) were painted in the same facility.

(iii) Due to procurement of Coach Shot Blasting Plant compatible with LHB coaches only, the entire outturn of ICF coaches of Liluah Workshop remained outside the purview of the Plant. The procured M&Ps could not cater to the monthly outturn of the workshop.

(iv) Although the Paint booth with Baking Oven was being utilised to some extent, the LHB coach compatible Shot Blasting Machine remained completely unutilised due to outsourcing of painting of LHB coaches including surface preparation before painting.

The matter was taken up with Ministry of Railways (MoR) in June 2024. In their reply, MoR stated (July 2024) that the goal was to enhance the workshop's capacity and maintain targeted POH output. As the procurement planning was done in a phased manner and till 2010, no machine was procured and infrastructure for these machines was also not ready, the management decided to drop this sanction but this view was overruled in 2017. It was further stated that since the work did not proceed as planned, COFMOW returned the vetted indent for procurement of Paint Booth on 17 January 2012 due to non-readiness of site. In addition, the development of infrastructure for a paint booth, sanctioned under PWP 2008-09, was not initiated *inter alia* due to lack of funds thereby impacting the progress and completion of this particular component. Therefore, while the other works involved in PWP 2006-07 got completed by 2015 the Paint Booth was dropped from this work in 2015 and the item reflected in PWP 2006-07 was closed and deleted from the list of sanctioned works. Since the Paint Booth was dropped, the requirement of Baking Oven was also reviewed and eventually dropped from the PWP 2008-09. Considering future workload and present increasing trend of LHB maintenance schedule, the Shot Blasting Plant was retained in 2017 vide CWE/ER's endorsement stating that the Automatic Coach Shot Blasting may be retained till the execution of Modern Paint Shop is undertaken.

MoR accepted that the demand of Shot Blasting of LHB coaches was very less. Hence, considering optimisation and better utilisation of machines it was decided that ICF coaches having higher volume will be handled by automatic painting booth and LHB painting will be done through outsourcing. Shifting from one coach to another is more viable and advisable if the number of both type of coaches is higher. Since the arising of LHB coaches was less as compared to ICF coaches, it was more appropriate to handle ICF coaches on the M&P procured and the LHB coaches through outsourcing.

In terms of MoR's letter of 2 April 2024, the Coach Shot Blasting Plant is planned to be utilised for Mid-Life Rehabilitation (MLR) coaches wherein primary requirement for MLR coach POH (Periodic Overhaul) is to remove exterior paint before repainting. Currently, the Coach Shot Blasting Plant is used for LHB coaches during 'A' schedule maintenance, based on the condition of the paint. This practice will continue, ensuring that the Coach Shot Blasting Plant is used to its capacity as the number of LHB coaches requiring maintenance increases. The use of the Coach Shot Blasting Plant for both LHB and MLR coaches will ensure thorough and efficient paint removal which is a critical step in POH. The Paint Booth with Baking Oven will streamline the painting and drying process, reducing cycle times and increasing throughput. The combined use of these facilities will maximise their capacity and justify their commissioning and ensure that the investment in these assets is fully utilised, and the intended purpose is achieved. By incorporating these mechanised systems, the turnaround time for LHB and MLR coaches will be significantly reduced thereby improving the overall efficiency and productivity of the workshop.

The reply of MoR is not acceptable because the end-user, i.e, Liluah Workshop Authority, in October 2010 expressed that introduction of Mechanised Painting System would affect POH cycle time and would not be suitable in the workshop in view of requirement of huge space and extra manpower, double lifting of coaches *etc*. However, this view was not given due cognisance.

The crux of the audit observation was that the procurement of the Coach Shot Blasting Plant ignoring the submission of the end-user had resulted in non-utilisation of the machine in Liluah workshop thereby making the procurement injudicious. Although procurement of Paint Booth and Baking Oven was dropped, the Shot Blasting Plant was retained despite being an integral part of the Mechanised Painting System for which procurement of the three machines had originally been justified. In spite of further representation from the Liluah Workshop Authority in July 2017 regarding unsuitability of Coach Shot Blasting Plant in Liluah Workshop, the Eastern Railway Zonal Authority pushed through its procurement by overruling the submission of the end-user.

The procured Coach Shot Blasting Plant is compatible with LHB coach only. In terms of Para 2.3.1 of the offer of the firm, the supplied machine is capable of cleaning LHB Coaches only and not the ICF coaches. The supplier, in their offer, specifically mentioned that using two different abrasive media, i.e., SS cut wire and carbon steel shot in the same machine is tedious and time consuming as it will require emptying out of the entire abrasive in the machine before loading the other abrasive media. Also, it is very difficult to remove all shots, hence mix-up will be there.

The Coach Shot Blasting Plant and the Paint Booth along with Baking Oven were procured to implement complete mechanised painting system for railway passenger coaches. Use of the Paint Booth and Baking Oven without Shot Blasting Plant does not serve the purpose of the complete painting system of the coaches. Regarding possible future use of the machine, it is stated that due to non-readiness of the required infrastructure and non-arising of coaches for MLR till date, the Coach Shot Blasting Plant is yet to come to the utilisation stage.

It is further stated that although Liluah Workshop has been nominated for MLR activities vide MoR's Letter of 2 April 2024, the annual target of such activity has been kept as 50 coaches which translates to nearly four coaches per month. As the cycle time per coach as per rated capacity of the procured Coach Shot Blasting Plant is two hours, the Coach Shot Blasting Plant would be operational at best for only two days in a month working in a single shift of eight hours in a day. However, not a single coach had gone for MLR in the first quarter of 2024-25.

Thus, in spite of representation from the end-user regarding unsuitability of the Coach Shot Blasting Plant, the same was commissioned in Liluah workshop. With the decision for complete outsourcing of painting of LHB coaches as well as shot blasting of their bogie frames, the Plant costing ₹12.66 crore remained unutilised, which made its procurement injudicious.

Recommendations:

- ***Responsibility may be fixed for procurement of the Coach Shot Blasting Plant despite reservations expressed by the end-user.***
- ***Ministry of Railways may issue instructions that procurement of Plant and Machinery may be done with feasibility study and after duly considering the views of the end-users.***

4.4 Non-availing of input tax credit due to erroneous flagging and failure to rectify flagging of Works Contract bills within stipulated time: Eastern Railway

Eastern Railway did not follow Ministry of Railway's guidelines for flagging of Works Contract bills for claiming input tax credit and further could not rectify the incorrect flagging within the stipulated time. As a result, Eastern Railway could not avail ₹ 6.45 crore as Input Tax Credit on Goods and Service Tax paid.

Goods and Services Tax (GST) is a destination-based consumption tax. It has been designed in a manner so that tax is collected at every stage and the credit of tax paid at the previous stage is available for set off the tax to be paid at the next stage of transaction thereby eliminating cascading of taxes. This eradicates 'tax on tax' and allows cross utilisation of input tax credits which benefit the industry by making the entire supply chain tax neutral.

As per the scheme of Input Tax Credit (ITC), any registered person can avail credit of tax paid on the inward supply of goods or services or both which is used or intended to be used in the course or furtherance of business. Accordingly Indian Railways (IR) is also entitled to take credit of input tax charged on supply of goods and services to IR which are used or intended to be used in the course or furtherance of its business.

Provisions have been made in Integrated Payroll and Accounting System (IPAS) for indication of the category of ITC for each transaction. The credit, which is available to IR, has been classified under five categories with specific flagging for each category, namely: Full Credit (T4 flag), Partial Credit (C2 flag), No Credit (for non-business – T1 flag), No Credit (for exempt operation – T2 flag), No Credit (for credit restriction – T3 flag).

According to the checklist circulated through Ministry of Railway's (MoR) letter of March 2018, partial ITC (C2) would be available for GST paid in respect of services provided by various contractors for repair of wagons, coaches, locomotives *etc.* and procurement of services relating to railway track.

In June 2018, MoR further clarified that in respect of the services rendered by IR for transportation of passenger and goods by rail, ITC is available for GST paid relating to procurement of services only. Full ITC (T4) is available in respect of tax paid for supplies used exclusively for taxable operations[128], e.g., maintenance contract for AC coaches while partial ITC (C2) is available in respect of tax paid for supplies used both for taxable and non-taxable operations. Thus, IR is eligible to avail full credit of ITC (with T4 flagging) for GST paid on bills for procurement of services exclusively for repair of AC coaches and partial credit (with C2 flagging) for GST paid on bills for procurement of services for repair contracts not exclusively meant for either AC or non-AC coaches. The method for apportionment of ITC under Flag C2 into eligible and ineligible credits has been prescribed in IR GST Manual.

In case of errors in flagging at the time of passing the bills, MoR, in November 2020, institutionalised the process of reflagging the ITC in IPAS. Items against a paid bill were allowed to be reflagged after 5th of the following month but before filing of GST return (GSTR3B) for the month of September of the following year. Thus, after the stipulated date, the scope for reflagging the ITC would be time-barred.

Records in IPAS in respect of bills paid against works contracts relating to railway tracks and coach repairs were scrutinised in Audit to examine the correctness of flagging done by the Eastern Railway (ER) Administration for availment of ITC. It was observed that:

- Forty-two bills paid between March 2019 and March 2022 in respect of 14 works contracts relating to railway tracks were improperly flagged as T3 (representing ‘no credit’) instead of C2 (representing ‘Partial Credit’).
- Twelve bills paid between October 2019 and February 2021 in respect of three contracts exclusively for repair of AC coaches were improperly flagged as T3 (representing ‘no credit’) instead of T4 (representing Full Credit).
- Eighty-one bills paid between September 2019 and March 2022 in respect of six coach repair contracts not exclusively meant for either AC or non-AC coaches were improperly flagged as T3 (representing ‘no credit’) instead of C2 (representing ‘Partial Credit’).

[128] In terms of Ministry of Finance (Department of Revenue)’s Notification of June 2017, service of transportation of passenger by railways in non-AC coaches is GST-exempt operation while that in AC coaches is taxable operation.

As a result of improper flagging, the eligible amount of ₹ 6.45 crore[129] was not availed of by Eastern Railway as ITC. All the paid bills, being time barred for reflagging, became ineligible for availing of ITC.

The matter was taken up with MoR in December 2023. In their reply, MoR stated (February 2024) that in case of 42 bills paid between March 2019 and March 2022 against 14 works contracts relating to railway track flagging has been done as "T3" because Service Accounting Code (SAC) 995421 was mentioned in the bills as "General Construction Services of highways, streets, roads, railways, airfield runways, bridges and tunnels" which is outside the ambit of eligible ITC as per Section 17(5) of CGST Act 2017. Accordingly, ER has flagged "T3" on the said transactions.

Directorate General of Goods and Services Tax Intelligence (DGGI) Ludhiana have issued several summons to ER since 2021 for the period 2017-18 to 2021-22 to submit the details of ITC in respect of all General Construction Services falling under SAC 995421. Due to non-receipt of details, DGGI subsequently issued Show Cause Notice disallowing ITC of ₹ 2,517 crore mainly for all General Construction Services falling under SAC 995421. In response, ER has filed a reply (27 October 2023) to the said notice before the DGGI/Ludhiana Commissioner Office and the case is pending for adjudication. Thus, it is evident that the view of GST authority is contrary to the view taken by Audit on SAC 995421. Therefore, the Audit view on non-availment of ITC of ₹ 2.13 crore is not justified.

In case of 81 bills paid between September 2019 and March 2022 in respect to coaches pertaining to Liluah Workshop of Eastern Railway where "T3" have been flagged, Liluah Workshop had already explained the issue and clarified the same (29 May 2023) where agreement-wise comments have been furnished. Thus, the audit contention on 81 bills is also not justified.

In the instant case the agreement was made for supplying services including supplying of goods as mentioned in the agreement which was covered under the definition of composite supply in terms of Section 2 (30) of CGST Act, 2017 read with Section 8 of CGST Act, 2017 where it is specifically stated that the classification of supply will be determined on the basis of principal supply and HSN/SAC determined accordingly.

[129] **₹ 2.13 crore in respect of 14 works contracts relating to railway tracks and ₹ 4.32 crore in respect of nine Works Contracts relating to repair of coaches.**

The reply of MoR is not acceptable because as per provisions of Section 17 (5) (c) of CGST Act 2017, ITC is not available in respect of works contract services when supplied for construction of immovable property. However, ITC would be available for works contract services supplied for construction of 'plant and machinery'. 'Plant and machinery' has been defined as "apparatus, equipment and machinery fixed to earth by foundation or structural support that are used for making outward supply of goods or services or both and includes such foundation and structural supports but excludes land, building or any other civil structures".

MoR's effort to cite DGGI Ludhiana's Show Cause Notice as the reason for not availing of ITC in respect of construction of railway track is totally misleading. The Show Cause Notice was served on Eastern Railway for not furnishing complete data with bill-wise description like category of availment like C2 or T4, month of availment, detailed description of inward supplies, value on inward supplies, ITC availed *etc*. The DGGI Ludhiana, while categorically affirming the provision of GST Act in the Show Cause Notice, stated that in case of Railways, ITC availed on Railway Tracks are allowed, whereas ITC is not allowed when these services are availed for activities other than plant and machinery such as General Construction services/Works Contract Services availed for building staff quarters, Railway Colonies, Hospitals, and their repair and maintenance thereof. DGGI Ludhiana time and again stated that instead of general description, detailed description of General Construction services for which Eastern Railway availed ITC is required to decide the admissibility or non-admissibility of the ITC under the GST laws. However, non-compliance of above instructions by Eastern Railway compelled DGGI Ludhiana to disallow the entire ITC availed by Eastern Railway. Hence, this Show Cause Notice, which was issued for not furnishing the required details in respect of availed ITC, has no bearing with the present Audit observation relating to bills for which admissible ITC was not availed of, representing loss to Railway due to the claim becoming time-barred. In view of the provisions of GST Act, 2017 and MoR's Circular (26 March 2018), Audit observations on incorrect flagging of 42 bills is justified.

Four out of five agreements cited in the reference letter of 29 May 2023 of the Workshop Accounts Officer (IC)/ Liluah as attached by MoR are not part of the subject Audit observation and as such are not relevant to the present Audit Para.

Railway's contention is also against the tenets of the GST Act, since Section 2(90) under Chapter I of the CGST Act, 2017 states that "principal supply means the supply of goods or services which constitutes the predominant element of a composite supply and to which any other supply forming part of that composite supply is ancillary". Money value of goods/ services has not been the criteria in the GST Act for determining the principal supply. Further, MoR themselves stated that "the agreement was made for supplying service including supplying of goods as mentioned in the agreement" which established that the principal supply was the supply of service and the supply of goods was its ancillary. Hence, the repair and maintenance contracts for the coaches as highlighted in Audit are composite contracts for procurement of service of repair and maintenance since the principal supply is service of repair/ maintenance and supply of materials, being naturally bundled and supplied in conjunction with the service, is merely ancillary to the service.

The above view was upheld on 16 May 2018 in the Advance Ruling u/s. 98 of the Goods and Services Tax Act, 2017 in the case of M/s GE Diesel Locomotive Private Limited, Shahjanpur by the Authority for Advance Ruling – Uttar Pradesh. It was viewed that supply of maintenance service with or without supply of spare parts/ goods is a composite supply of service, since the "principal supply is service in as much as the supply of goods is merely incidental to the maintenance contract".

In view of the above, the repair and maintenance contracts for the coaches as highlighted in Audit are composite contracts for procurement of service of repair and maintenance and in terms of MoR's Circular of 25 June 2018, Indian Railways are eligible to avail full credit of ITC (with T4 flagging) for GST paid on bills for procurement of services exclusively for repair of AC coaches and partial credit (with C2 flagging) for GST paid on bills for procurement of services for repair contracts not exclusively meant for either AC or non-AC coaches.

Thus, due to incorrect flagging of works contract bills for ITC and failure to subsequently correct flagging of bills within stipulated time frame, ER Administration could not avail ₹ 6.45 crore as ITC on GST paid.

Recommendations:

- ***Eastern Railway Administration may take effective steps to ensure proper flagging of bills for ITC. Responsibility may be fixed for incorrect flagging of works contract bills for ITC and failure to subsequently flag the bills correctly within the stipulated time frame.***

- ***Ministry of Railways needs to review whether similar nature of omissions has taken place in other Zonal Railways.***

New Delhi **(ATREYEE DAS)**
Dated: 25 March 2025 **Deputy Comptroller and Auditor General**

Countersigned

New Delhi **(K. SANJAY MURTHY)**
Dated: 25 March 2025 **Comptroller and Auditor General of India**

ANNEXURES

Annexure 1.1
Year-wise pendency position of Action Taken Notes (ATNs) as on 31 July 2024
(Reference Paragraph 1.10)

Sl. No.	Report Year	Total number of Paras in the Report	No. of Paras on which ATNs finalised	No. of Reports/Paras on which ATNs have not been submitted by Ministry even for the first time	No. of Reports/ Paras on which revised ATNs are awaited from Ministry	No. of ATNs which have been finally vetted by Audit but pending with Ministry for submission to PAC	No. of ATNs pending with Audit for vetting	Total No. of pending ATNs (Ministry and Audit both)
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
1	2014-15	44	43	0	0	0	1	1
2	2016-17	46	44	0	0	1	1	2
3	2017-18	52	51	0	0	1	0	1
4	2018-19	31	29	0	0	0	2	2
5	2019-20	40	35	0	1	2	2	5
6	2020-21	43	36	0	3	1	3	7
7	2021-22	04	02	0	0	1	1	2
Total		**260**	**240**	**0**	**4**	**6**	**10**	**20**

Annexure 2.1

Statement showing detention of Railway Engines in BCSK (CHP) Siding in connection with loading process in allotted coal rakes during the period 2020-21 to 2022-23

(Reference Paragraph: 2.1)

Sl. No.	Period	No. of rakes	Detention of Railway Engine for shunting activities (in Hrs.)	All India engine hour cost (AIEHC) (in ₹)	Total Shunting Charges to be levied (in ₹) (Col.3 x Col.4)
1	**2**	**3**	**4**	**5**	**6**
1	Ist April 2020 to 12th July 2020	213	1,538	14,090	2,16,70,420
2	13th July 2020 to 29th July 2021	1,023	11,876	14,990	17,80,21,240
3	30th July 2021 to 29th July 2022	1,010	11,572	15,320	17,72,83,040
4	30th July 2022 to 31st March 2023	424	7,695	16,990	13,07,38,050
Total		**2,670**	**32,681**		**50,77,12,750**
					Say ₹ 50.77 crore

Annexure- 2.2

Statement showing loss of revenue due to non-implementation of Ministry of Railways' directives of November 2020

(Reference Paragraph: 2.3)

Sr. No.	Rake Loaded (Origin-Destination pair) Station From	Station To	Commodity/ Class/ Total Route length	Route length with CC+6	Period	No. of Rakes	No. of wagons	Less weight carried (in Tonnes)	Base freight per Tonne* (₹)	Rebate, if any (₹)	Development Surcharge at the rate of 5 *per cent* of Base freight, if applicable (₹)	Effective Base freight including Development Surcharge (₹)	Loss (in ₹)	Remarks
1	2	3	4	5	6	7	8	9 (Col 8 x 2 or 1 Tonne, as applicable)	10	11	12 (Col. 10 x 5 *per cent*)	13 (Col. 10- Col. 11 + Col. 12)	14 (Col. 9 x Col. 13)	15
1	WCSG	WCNA	Commodity: Clinker, Class: 140A, Total Route length: 797.61 Kms	NDN to WCNA in Mumbai Central Division of Western Railway: 3.15 Kms (0.39 *per cent* of Total Route length)	Jun-21	2	117	234	1,056	0	52.8	1,108.8	2,59,459	
2					Jul-21	19	1,110	2,220	1,056	232.32	52.8	876.48	19,45,786	Rebate on account of Station to Station scheme at the rate of 22 *per cent* of Base freight has been given from July 2021 to April 2022
3					Aug-21	16	934	1,868	1,056	232.32	52.8	876.48	16,37,265	
4					Sep-21	13	759	1,518	1,056	232.32	52.8	876.48	13,30,497	
5					Oct-21	14	876	1,752	1,056	232.32	52.8	876.48	15,35,593	
6					Nov-21	13	758	1,516	1,056	232.32	52.8	876.48	13,28,744	
7					Dec-21	11	643	1,286	1,056	232.32	52.8	876.48	11,27,153	
8					Jan-22	16	932	1,864	1,056	232.32	52.8	876.48	16,33,759	
9					Feb-22	17	997	1,994	1,056	232.32	52.8	876.48	17,47,701	
10					Mar-22	17	997	1,994	1,056	232.32	52.8	876.48	17,47,701	
11					Apr-22	10	588	1,176	1,056	232.32	52.8	876.48	10,30,740	
12					May-22	7	411	822	1,056	0	52.8	1108.8	9,11,434	

Annexure- 2.2

Statement showing loss of revenue due to non-implementation of Ministry of Railways' directives of November 2020

(Reference Paragraph: 2.3)

Sr. No.	Rake Loaded (Origin-Destination pair)		Commodity/ Class/ Total Route length	Route length with CC+6	Period	No. of Rakes	No. of wagons	Less weight carried (in Tonnes)	Base freight per Tonne* (₹)	Rebate, if any (₹)	Development Surcharge at the rate of 5 *per cent* of Base freight, if applicable (₹)	Effective Base freight including Development Surcharge (₹)	Loss (in ₹)	Remarks
	Station From	Station To												
1	2	3	4	5	6	7	8	9 (Col 8 x 2 or 1 Tonne, as applicable)	10	11	12 (Col. 10 x 5 *per cent*)	13 (Col. 10- Col. 11 + Col. 12)	14 (Col. 9 x Col. 13)	15
13	WCSG	WCNA	Commodity: Clinker, Class: 140A, Total Route length: 797.61 Kms	NDN to WCNA in Mumbai Central Division of Western Railway: 3.15 Kms (0.39 *per cent* of Total Route length)	Jun-22	11	648	1,296	1,056	0	52.8	1,108.8	14,37,005	
14					Jul-22	12	702	1,404	1,056	0	52.8	1,108.8	15,56,755	
15					Aug-22	9	528	1,056	1,056	0	52.8	1,108.8	11,70,893	
16					Sep-22	9	530	1,060	1,056	0	52.8	1,108.8	11,75,328	
17					Oct-22	16	938	1,876	1,056	0	52.8	1,108.8	20,80,109	
18					Nov-22	12	703	1,406	1,056	0	52.8	1,108.8	15,58,973	
19					Dec-22	29	1,703	3,406	1,056	0	52.8	1,108.8	37,76,573	
20					Jan-23	24	1,406	2,812	1,056	0	52.8	1,108.8	31,17,946	
21					Feb-23	21	1,236	2,472	1,056	0	52.8	1,108.8	27,40,954	
22					Mar-23	15	882	1,764	1,056	0	52.8	1,108.8	19,55,923	
23					Apr-23	20	1,173	2,346	1,056	0	52.8	1,108.8	26,01,245	
24					May-23	23	1353	2,706	1,056	0	52.8	1,108.8	30,00,413	
25					Jun-23	15	883	1,766	1,056	0	52.8	1,108.8	19,58,141	
26					Jul-23	15	880	1,760	1,056	0	52.8	1,108.8	19,51,488	
27					Aug-23	16	934	1,868	1,056	0	52.8	1,108.8	20,71,238	

Annexure- 2.2

Statement showing loss of revenue due to non-implementation of Ministry of Railways' directives of November 2020

(Reference Paragraph: 2.3)

Sr. No.	Rake Loaded (Origin-Destination pair)		Commodity/ Class/ Total Route length	Route length with CC+6	Period	No. of Rakes	No. of wagons	Less weight carried (in Tonnes)	Base freight per Tonne* (₹)	Rebate, if any (₹)	Development Surcharge at the rate of 5 *per cent* of Base freight, if applicable (₹)	Effective Base freight including Development Surcharge (₹)	Loss (in ₹)	Remarks
	Station From	Station To												
1	2	3	4	5	6	7	8	9 (Col 8 x 2 or 1 Tonne, as applicable)	10	11	12 (Col. 10 x 5 *per cent*)	13 (Col. 10-Col. 11 + Col. 12)	14 (Col. 9 x Col. 13)	15
28	WPA	APJG	Commodity : Steam Coal, Class: 145A, Total Route length: 2255.51 Kms	LKR to KIUL in Danapur Division of East Central Railway: 1.19 Kms (0.05 *per cent* of Total Route length)	Jul-23	7	408	408	3,253.4	0	0	3,253.4	13,27,387	Period from 1st July to 15th August excess weight should be taken as 01 tonne in each wagon for commodity coal. (Para 6.1 of RMC PCC/CC+8/2020/08/2020/0 dated 01 May 2020)
29					1st Aug 23 to 15 Aug 23	7	410	410	3,253.4	0	0	3,253.4	13,33,894	

Annexure- 2.2

Statement showing loss of revenue due to non-implementation of Ministry of Railways' directives of November 2020

(Reference Paragraph: 2.3)

Sr. No.	Rake Loaded (Origin-Destination pair)		Commodity/ Class/ Total Route length	Route length with CC+6	Period	No. of Rakes	No. of wagons	Less weight carried (in Tonnes)	Base freight per Tonne* (₹)	Rebate, if any (₹)	Development Surcharge at the rate of 5 *per cent* of Base freight, if applicable (₹)	Effective Base freight including Development Surcharge (₹)	Loss (in ₹)	Remarks
	Station From	Station To												
1	2	3	4	5	6	7	8	9 (Col 8 x 2 or 1 Tonne, as applicable)	10	11	12 (Col. 10 x 5 *per cent*)	13 (Col. 10- Col. 11 + Col. 12)	14 (Col. 9 x Col. 13)	15
30	WPA	APJG	Commodity : Steam Coal, Class: 145A, Total Route length: 2255.51 Kms	LKR to KIUL in Danapur Division of East Central Railway: 1.19 Kms (0.05 *per cent* of Total Route length)	After 15 Aug 23	5	291	582	3253.4	0	0	3,253.4	18,93,479	

Annexure- 2.2

Statement showing loss of revenue due to non-implementation of Ministry of Railways' directives of November 2020

(Reference Paragraph: 2.3)

Sr. No.	Rake Loaded (Origin-Destination pair)		Commodity/ Class/ Total Route length	Route length with CC+6	Period	No. of Rakes	No. of wagons	Less weight carried (in Tonnes)	Base freight per Tonne* (₹)	Rebate, if any (₹)	Development Surcharge at the rate of 5 *per cent* of Base freight, if applicable (₹)	Effective Base freight including Development Surcharge (₹)	Loss (in ₹)	Remarks
	Station From	Station To												
1	2	3	4	5	6	7	8	9 (Col 8 x 2 or 1 Tonne, as applicable)	10	11	12 (Col. 10 x 5 *per cent*)	13 (Col. 10- Col. 11 + Col. 12)	14 (Col. 9 x Col. 13)	15
31	MAPD	APJG	Commodity : Steam Coal, Class: 145A, Total Route length: 2061.04 Kms	LKR to KIUL in Danapur Division of East Central Railway: 1.19 Kms (0.05 *per cent* of Total Route length)	Jul-23	5	294	294	3,116.1	0	0	3116.1	9,16,133	Period from 1st July to 15th August excess weight should be taken as 01 tonne in each wagon for commodity coal. (Para 6.1 of RMC PCC/CC+8 /2020/0 dated 01 May 2020)
32					1st Aug-23 to 15 Aug-23	5	295	295	3,116.1	0	0	3116.1	9,19,250	

Annexure- 2.2

Statement showing loss of revenue due to non-implementation of Ministry of Railways' directives of November 2020

(Reference Paragraph: 2.3)

Sr. No.	Rake Loaded (Origin-Destination pair)		Commodity/ Class/ Total Route length	Route length with CC+6	Period	No. of Rakes	No. of wagons	Less weight carried (in Tonnes)	Base freight per Tonne* (₹)	Rebate, if any (₹)	Development Surcharge at the rate of 5 *per cent* of Base freight, if applicable (₹)	Effective Base freight including Development Surcharge (₹)	Loss (in ₹)	Remarks
	Station From	Station To												
1	2	3	4	5	6	7	8	9 (Col 8 x 2 or 1 Tonne, as applicable)	10	11	12 (Col. 10 x 5 *per cent*)	13 (Col. 10- Col. 11 + Col. 12)	14 (Col. 9 x Col. 13)	15
33	MAPD	APJG	Commodity : Steam Coal, Class: 145A, Total Route length: 2061.04 Kms	LKR to KIUL in Danapur Division of East Central Railway: 1.19 Kms (0.05 *per cent* of Total Route length)	From 15 Aug-23 to 31 Aug-23	12	701	1,402	3,116.1	0	0	3,116.1	43,68,772	
34					Sep-23	7	410	820	3,116.1	0	0	3,116.1	25,55,202	
	Total					**450**	**26,430**	**51,453**		**2,323**	**1,426**	**49,839**	**6,17,02,931**	

Annexure- 2.2

Statement showing loss of revenue due to non-implementation of Ministry of Railways' directives of November 2020

(Reference Paragraph: 2.3)

Sr. No.	Rake Loaded (Origin-Destination pair)		Commodity/ Class/ Total Route length	Route length with CC+6	Period	No. of Rakes	No. of wagons	Less weight carried (in Tonnes)	Base freight per Tonne* (₹)	Rebate, if any (₹)	Development Surcharge at the rate of 5 *per cent* of Base freight, if applicable (₹)	Effective Base freight including Development Surcharge (₹)	Loss (in ₹)	Remarks
	Station From	Station To												
1	2	3	4	5	6	7	8	9 (Col 8 x 2 or 1 Tonne, as applicable)	10	11	12 (Col. 10 x 5 *per cent*)	13 (Col. 10- Col. 11 + Col. 12)	14 (Col. 9 x Col. 13)	15
35	WPA	FGTP	Commodity : Steam Coal, Class: 145A, Total Route length: 1500.03 Kms	ON to UCR in Lucknow Division of Northern Railway: 112.13 Kms (7.47 *per cent* of Total Route length)	April-22 to June-22	40	2,339	4,678	2,706.7	0	0	2,706.7	1,26,61,943	
36					July- 22 to 15 Aug-22	47	2,744	2,744	2,706.7	0	0	2,706.7	74,27,185	Period from 1st July to 15th August excess weight should be taken as 01 tonne in each wagon for commodity coal. (Para 6.1 of RMC PCC/CC+8/ 2020/0 dated 01 May 2020)

Annexure- 2.2

Statement showing loss of revenue due to non-implementation of Ministry of Railways' directives of November 2020

(Reference Paragraph: 2.3)

Sr. No.	Rake Loaded (Origin-Destination pair) Station From	Station To	Commodity/ Class/ Total Route length	Route length with CC+6	Period	No. of Rakes	No. of wagons	Less weight carried (in Tonnes)	Base freight per Tonne* (₹)	Rebate, if any (₹)	Development Surcharge at the rate of 5 *per cent* of Base freight, if applicable (₹)	Effective Base freight including Development Surcharge (₹)	Loss (in ₹)	Remarks
1	2	3	4	5	6	7	8	9 (Col 8 x 2 or 1 Tonne, as applicable)	10	11	12 (Col. 10 x 5 *per cent*)	13 (Col. 10- Col. 11 + Col. 12)	14 (Col. 9 x Col. 13)	15
37	WPA	FGTP	Commodity : Steam Coal, Class: 145A, Total Route length: 1500.03 Kms	ON to UCR in Lucknow Division of Northern Railway: 112.13 Kms (7.47 *per cent* of Total Route length)	16 Aug-22 to Sept 22	28	1,638	3,276	2,706.7	0	0	2,706.7	88,67,149	Period from 1st July to 15th August excess weight should be taken as 01 tonne in each wagon for commodity coal. (Para 6.1 of RMC PCC/CC+8/2020/0 dated 01 May 2020)
38					Feb-23	12	702	1,404	2,706.7	0	0	2,706.7	38,00,207	
39					Mar-23	30	1,759	3,518	2,706.7	0	0	2,706.7	95,22,171	
40					Apr-23	26	1,520	3,040	2,706.7	0	0	2,706.7	82,28,368	
41					May-23	11	646	1,292	2,706.7	0	0	2,706.7	34,97,056	
42					Jun-23	0	0	0	2,706.7	0	0	2,706.7	0	
43					Jul-23	11	643	643	2,706.7	0	0	2,706.7	17,40,408	

Annexure- 2.2

Statement showing loss of revenue due to non-implementation of Ministry of Railways' directives of November 2020

(Reference Paragraph: 2.3)

Sr. No.	Rake Loaded (Origin-Destination pair)		Commodity/ Class/ Total Route length	Route length with CC+6	Period	No. of Rakes	No. of wagons	Less weight carried (in Tonnes)	Base freight per Tonne* (₹)	Rebate, if any (₹)	Development Surcharge at the rate of 5 *per cent* of Base freight, if applicable (₹)	Effective Base freight including Development Surcharge (₹)	Loss (in ₹)	Remarks
	Station From	Station To												
1	2	3	4	5	6	7	8	9 (Col 8 x 2 or 1 Tonne, as applicable)	10	11	12 (Col. 10 x 5 *per cent*)	13 (Col. 10- Col. 11 + Col. 12)	14 (Col. 9 x Col. 13)	15
44	WPA	FGTP	Commodity : Steam Coal, Class: 145A, Total Route length: 1500.03 Kms	ON to UCR in Lucknow Division of Northern Railway: 112.13 Kms (7.47 *per cent* of Total Route length)	Upto 15 Aug-23	9	528	528	2,706.7	0	0	2,706.7	14,29,138	
45					After 15 Aug 23	12	704	1,408	2,706.7	0	0	2,706.7	38,11,034	
46					Sep-23	11	643	1,286	2,706.7	0	0	2,706.7	34,80,816	
Total						**237**	**13,866**	**23,817**		**0**	**0**	**32,480**	**6,44,65,474**	
G/Total						**687**	**40,296**	**75,270**		**2,323**	**1,426**	**82,319**	**12,61,68,404**	
													Say ₹ 12.62 Crore	

*Base rate is calculated as per Goods Tariff No. 49(Part II).

Annexure 2.3
Statement showing loss of earning due to Cancellation of Premium indent
(Reference Paragraph: 2.6)

Sr. No.	Indent No. & Date	No. of Wagons	Commodity	From	Destination	Type of Indent	Date of Cancellation	Distance (Km)	Class	Rate (₹)	Average weight (Tonne)	Freight (₹)	Busy Season Surcharge (₹)	Premium Indent Charge (15% of NTR) (₹)	Development Surcharge (₹)	OTC & DTC (₹)	Total Freight (₹)	Total loss of Earning due to Cancellation of Premium Indent (₹)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1	11/19.01.22	42 BCN/ BCNHS	DOC	HD	CVD	P	22.01.22	1,794	120	2,109.1	2,604	54,92,096	0	8,23,814	2,74,605	1,04,160	66,94,676	8,23,814
2	16/19.03.22	42 BCN/ BCNHS	DOC	HD	TUP	P	21.03.22	1,833	120	2,109.1	2,604	54,92,096	0	8,23,814	2,74,605	1,04,160	66,94,676	8,23,814
3	17/23.03.22	42 BCN/ BCNHS	DOC	HD	TUP	P	25.03.22	1,833	120	2,109.1	2,604	54,92,096	0	8,23,814	2,74,605	1,04,160	66,94,676	8,23,814
4	18/26.03.22	42 BCN/ BCNHS	DOC	HD	TUP	P	01.04.22	1,833	120	2,109.1	2,604	54,92,096	0	8,23,814	2,74,605	1,04,160	66,94,676	8,23,814
5	07/22.11.22	42 BCN/ BCNHS	DOC	HD	PNCS	P	25.11.22	666	120	867.8	2,604	22,59,751	3,38,963	3,89,807	1,12,988	52,080	31,53,589	3,89,807
6	248/29.03.22	42 BCN/ BCNHS	Wheat	HD	KSLK	P	NA	1,252	130A	1,556.6	2,604	40,53,386	0	6,08,008	2,02,669	52,080	49,16,144	6,08,008
7	01/01.04.22	42 BCN/ BCNHS	Wheat	HD	SRVA	P	NA	1,093	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
8	02/01.04.22	42 BCN/ BCNHS	Wheat	HD	KDLP	P	NA	1,096	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
9	03/01.04.22	42 BCN/ BCNHS	Wheat	HD	KDLP	P	NA	1,096	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
10	04/01.04.22	42 BCN/ BCNHS	Wheat	HD	KDLP	P	NA	1,096	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
11	06/01.04.22	42 BCN/ BCNHS	Wheat	HD	KDLP	P	NA	1,096	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
12	07/01.04.22	42 BCN/ BCNHS	Wheat	HD	KDLP	P	NA	1,096	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
13	08/01.04.22	42 BCN/ BCNHS	Wheat	HD	GIMB	P	NA	1,085	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
14	09/02.04.22	42 BCN/ BCNHS	Wheat	HD	APAP	P	NA	1,153	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
15	10/02.04.22	42 BCN/ BCNHS	Wheat	HD	APAP	P	NA	1,153	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
16	11/02.04.22	42 BCN/ BCNHS	Wheat	HD	MDCC	P	NA	1,158	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
17	12/02.04.22	42 BCN/ BCNHS	Wheat	HD	MDCC	P	NA	1,158	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972

Annexure 2.3
Statement showing loss of earning due to Cancellation of Premium indent
(Reference Paragraph: 2.6)

Sr. No.	Indent No. & Date	No. of Wagons	Commodity	From	Destination	Type of Indent	Date of Cancellation	Distance (Km)	Class	Rate (₹)	Average weight (Tonne)	Freight (₹)	Busy Season Surcharge (₹)	Premium Indent Charge (15% of NTR) (₹)	Development Surcharge (₹)	OTC & DTC (₹)	Total Freight (₹)	Total loss of Earning due to Cancellation of Premium Indent (₹)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
18	13/03.04.22	42 BCN/ BCNHS	Wheat	HD	APAP	P	NA	1,153	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
19	29/23.04.22	42 BCN/ BCNHS	Wheat	HD	MGPV	P	NA	1,214	130A	1,556.6	2,604	40,53,386	0	6,08,008	2,02,669	52,080	49,16,144	6,08,008
20	30/24.04.22	42 BCN/ BCNHS	Wheat	HD	MGPV	P	NA	1,214	130A	1,556.6	2,604	40,53,386	0	6,08,008	2,02,669	52,080	49,16,144	6,08,008
21	31/28.04.22	42 BCN/ BCNHS	Wheat	HD	GIMB	P	NA	1,085	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
22	33/01.05.22	42 BCN/ BCNHS	Wheat	HD	MGPV	P	NA	1,214	130A	1,556.6	2,604	40,53,386	0	6,08,008	2,02,669	52,080	49,16,144	6,08,008
23	34/01.05.22	42 BCN/ BCNHS	Wheat	HD	MGPV	P	NA	1,214	130A	1,556.6	2,604	40,53,386	0	6,08,008	2,02,669	52,080	49,16,144	6,08,008
24	35/01.05.22	42 BCN/ BCNHS	Wheat	HD	MGPV	P	NA	1,214	130A	1,556.6	2,604	40,53,386	0	6,08,008	2,02,669	52,080	49,16,144	6,08,008
25	36/02.05.22	42 BCN/ BCNHS	Wheat	HD	MGPV	P	NA	1,214	130A	1,556.6	2,604	40,53,386	0	6,08,008	2,02,669	52,080	49,16,144	6,08,008
26	37/02.05.22	42 BCN/ BCNHS	Wheat	HD	MGPV	P	NA	1,214	130A	1,556.6	2,604	40,53,386	0	6,08,008	2,02,669	52,080	49,16,144	6,08,008
27	39/02.05.22	42 BCN/ BCNHS	Wheat	HD	MGPV	P	NA	1,214	130A	1,556.6	2,604	40,53,386	0	6,08,008	2,02,669	52,080	49,16,144	6,08,008
28	40/02.05.22	42 BCN/ BCNHS	Wheat	HD	MGPV	P	NA	1,214	130A	1,556.6	2,604	40,53,386	0	6,08,008	2,02,669	52,080	49,16,144	6,08,008
29	404/29.03.22	42 BCN/ BCNHS	Wheat	ET	KSLK	P	NA	1,177	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
30	405/29.03.22	42 BCN/ BCNHS	Wheat	ET	DU	P	NA	1,074	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	52,080	41,94,002	5,17,740
31	406/29.03.22	42 BCN/ BCNHS	Wheat	ET	DU	P	12.04.22	1,074	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	52,080	41,94,002	5,17,740
32	407/29.03.22	42 BCN/ BCNHS	Wheat	ET	DU	P	16.04.22	1,074	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	52,080	41,94,002	5,17,740
33	408/29.03.22	42 BCN/ BCNHS	Wheat	ET	KSLK	P	19.04.22	1,177	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
34	409/29.03.22	42 BCN/ BCNHS	Wheat	ET	KSLK	P	12.04.22	1,177	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972

Annexure 2.3
Statement showing loss of earning due to Cancellation of Premium indent
(Reference Paragraph: 2.6)

Sr. No.	Indent No. & Date	No. of Wagons	Commodity	From	Destination	Type of Indent	Date of Cancellation	Distance (Km)	Class	Rate (₹)	Average weight (Tonne)	Freight (₹)	Busy Season Surcharge (₹)	Premium Indent Charge (15% of NTR) (₹)	Development Surcharge (₹)	OTC & DTC (₹)	Total Freight (₹)	Total loss of Earning due to Cancellation of Premium Indent (₹)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
35	421/01.04.22	42 BCN/ BCNHS	Wheat	ET	KDLP	P	26.04.22	1,021	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
36	422/01.04.22	42 BCN/ BCNHS	Wheat	ET	KDLP	P	12.04.22	1,021	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
37	426/02.04.22	42 BCN/ BCNHS	Wheat	ET	KRIR	P	16.04.22	1,012	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	52,080	41,94,002	5,17,740
38	427/02.04.22	42 BCN/ BCNHS	Wheat	ET	KDLP	P	30.04.22	1,021	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
39	428/06.04.22	42 BCN/ BCNHS	Wheat	ET	GIMB	P	12.04.22	1,009	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
40	429/08.4.22	42 BCN/ BCNHS	Wheat	ET	GIMB	P	19.04.22	1,009	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
41	437/12.04.22	42 BCN/ BCNHS	Wheat	ET	KNGK	P	26.04.22	1,173	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
42	459/19.04.22	42 BCN/ BCNHS	Wheat	ET	APAP	P	23.04.22	1,077	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	52,080	41,94,002	5,17,740
43	461/22.04.22	42 BCN/ BCNHS	Wheat	ET	APAP	P	26.04.22	1,077	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	52,080	41,94,002	5,17,740
44	465/26.04.22	42 BCN/ BCNHS	Wheat	ET	GIMB	P	14.05.22	1,009	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
45	468/28.04.22	42 BCN/ BCNHS	Wheat	ET	KNGK	P	10.05.22	1,173	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
46	469/01.05.22	42 BCN/ BCNHS	Wheat	ET	DU	P	13.05.22	1,074	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	52,080	41,94,002	5,17,740
47	470/01.05.22	42 BCN/ BCNHS	Wheat	ET	GIMB	P	16.05.22	1,009	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
48	473/05.05.22	42 BCN/ BCNHS	Wheat	ET	KSLK	P	13.05.22	1,177	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
49	474/06.05.22	42 BCN/ BCNHS	Wheat	ET	TRVL	P	09.05.22	2,110	130A	2,263.7	2,604	58,94,675	0	8,84,201	2,94,734	52,080	71,25,690	8,84,201
50	475/06.05.22	42 BCN/ BCNHS	Wheat	ET	MGN	P	20.05.22	459	130A	599.7	2,604	15,61,619	0	2,34,243	78,081	52,080	19,26,023	2,34,243
51	476/06.05.22	42 BCN/ BCNHS	Wheat	ET	MGPV	P	30.05.22	1,138	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972

Annexure 2.3
Statement showing loss of earning due to Cancellation of Premium indent
(Reference Paragraph: 2.6)

Sr. No.	Indent No. & Date	No. of Wagons	Commodity	From	Destination	Type of Indent	Date of Cancellation	Distance (Km)	Class	Rate (₹)	Average weight (Tonne)	Freight (₹)	Busy Season Surcharge (₹)	Premium Indent Charge (15% of NTR) (₹)	Development Surcharge (₹)	OTC & DTC (₹)	Total Freight (₹)	Total loss of Earning due to Cancellation of Premium Indent (₹)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
52	477/06.05.22	42 BCN/ BCNHS	Wheat	ET	MDCC	P	20.06.22	1,082	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	52,080	41,94,002	5,17,740
53	478/06.05.22	42 BCN/ BCNHS	Wheat	ET	MDCC	P	27.06.22	1,082	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	52,080	41,94,002	5,17,740
54	480/08.05.22	42 BCN/ BCNHS	Wheat	ET	KNGK	P	13.05.22	1,173	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
55	484/13.05.22	42 BCN/ BCNHS	Wheat	ET	APAP	P	20.05.22	1,078	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	52,080	41,94,002	5,17,740
56	01/ 29.03.22	42 BCN/ BCNHS	Wheat	BPF	KRIR	P	02.04.22	1,045	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	52,080	41,94,002	5,17,740
57	01/ 27.03.22	42 BCN/ BCNHS	Wheat	BPF	APAP	P	09.04.22	1,111	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
58	01/01.04.22	42 BCN/ BCNHS	Wheat	BPF	GIMB	P	12.04.22	1,042	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
59	02/01.04.22	42 BCN/ BCNHS	Wheat	BPF	GIMB	P	16.04.22	1,042	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
60	06/09.04.22	42 BCN/ BCNHS	Wheat	BPF	APAP	P	16.04.22	1,111	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
61	16/15.04.22	42 BCN/ BCNHS	Wheat	BPF	APAP	P	19.04.22	1,111	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
62	01/18.04.22	42 BCN/ BCNHS	Wheat	BPF	KDLP	P	23.04.22	1,054	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
63	01/21.04.22	42 BCN/ BCNHS	Wheat	BPF	GIMB	P	26.04.22	1,042	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
64	01/27.04.22	42 BCN/ BCNHS	Wheat	BPF	KRIR	P	30.04.22	1,045	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	52,080	42,46,082	5,17,740
65	19/01.05.22	42 BCN/ BCNHS	Wheat	BPF	MDCC	P	07.05.22	1,116	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
66	21/09.05.22	42 BCN/ BCNHS	Wheat	BPF	KSLK	P	14.05.22	1,210	130A	1,556.6	2,604	40,53,386	0	6,08,008	2,02,669	52,080	49,16,144	6,08,008
67	23/11.05.22	42 BCN/ BCNHS	Wheat	BPF	GIMB	P	21.05.22	1,042	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
68	24/11.05.22	42 BCN/ BCNHS	Wheat	BPF	KDLP	P	17.05.22	1,054	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740

Annexure 2.3
Statement showing loss of earning due to Cancellation of Premium indent
(Reference Paragraph: 2.6)

Sr. No.	Indent No. & Date	No. of Wagons	Commodity	From	Destination	Type of Indent	Date of Cancellation	Distance (Km)	Class	Rate (₹)	Average weight (Tonne)	Freight (₹)	Busy Season Surcharge (₹)	Premium Indent Charge (15% of NTR) (₹)	Development Surcharge (₹)	OTC & DTC (₹)	Total Freight (₹)	Total loss of Earning due to Cancellation of Premium Indent (₹)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
69	25/12.05.22	42 BCN/ BCNHS	Wheat	BPF	MVN	P	16.05.22	2,073	130A	2,263.7	2,604	58,94,675	0	884201	2,94,734	1,04,160	71,77,770	8,84,201
70	28/13.05.22	42 BCN/ BCNHS	Wheat	BPF	KRIR	P	17.05.22	1,045	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	52,080	41,94,002	5,17,740
71	26/21.04.22	42 BCN/ BCNHS	Wheat	TBN	GIMB	P	25.04.22	1,070	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
72	27/21.04.22	42 BCN/ BCNHS	Wheat	TBN	KDLP	P	25.04.22	1,082	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
73	28/26.04.22	42 BCN/ BCNHS	Wheat	TBN	GIMB	P	13.05.22	1,070	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
74	29/26.04.22	42 BCN/ BCNHS	Wheat	TBN	DG	P	29.04.22	1,884	130A	2,241.1	2,604	58,35,824	0	8,75,374	2,91,791	52,080	70,55,069	8,75,374
75	30/29.04.22	42 BCN/ BCNHS	Wheat	TBN	KDLP	P	02.05.22	1,082	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
76	31/30.04.22	42 BCN/ BCNHS	Wheat	TBN	MGPV	P	09.05.22	1,199	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
77	32/30.04.22	42 BCN/ BCNHS	Wheat	TBN	MGPV	P	16.05.22	1,199	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
78	33/30.04.22	42 BCN/ BCNHS	Wheat	TBN	MGPV	P	20.05.22	1,199	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
79	34/01.05.22	42 BCN/ BCNHS	Wheat	TBN	MGPV	P	27.05.22	1,199	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
80	35/01.05.22	42 BCN/ BCNHS	Wheat	TBN	MGPV	P	30.05.22	1,199	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
81	36/01.05.22	42 BCN/ BCNHS	Wheat	TBN	MGPV	P	23.05.22	1,199	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
82	37/02.05.22	42 BCN/ BCNHS	Wheat	TBN	MGPV	P	03.06.22	1,199	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
83	38/02.05.22	42 BCN/ BCNHS	Wheat	TBN	MGPV	P	17.06.22	1,199	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
84	39/02.05.22	42 BCN/ BCNHS	Wheat	TBN	MGPV	P	10.06.22	1,199	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
85	40/02.05.22	42 BCN/ BCNHS	Wheat	TBN	MGPV	P	02.05.22	1,199	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972

Annexure 2.3
Statement showing loss of earning due to Cancellation of Premium indent
(Reference Paragraph: 2.6)

Sr. No.	Indent No. & Date	No. of Wagons	Commodity	From	Destination	Type of Indent	Date of Cancellation	Distance (Km)	Class	Rate (₹)	Average weight (Tonne)	Freight (₹)	Busy Season Surcharge (₹)	Premium Indent Charge (15% of NTR) (₹)	Development Surcharge (₹)	OTC & DTC (₹)	Total Freight (₹)	Total loss of Earning due to Cancellation of Premium Indent (₹)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
86	41/03.05.22	42 BCN/ BCNHS	Wheat	TBN	BZM	P	06.05.22	656	130A	864.5	2,604	22,51,158	0	3,37,674	112558	52,080	27,53,470	3,37,674
87	42/05.05.22	42 BCN/ BCNHS	Wheat	TBN	DG	P	09.05.22	1,884	130A	2,241.1	2,604	58,35,824	0	8,75,374	291791	1,04,160	71,07,149	8,75,374
88	43/05.05.22	42 BCN/ BCNHS	Wheat	TBN	MGPV	P	06.06.22	1,199	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
89	44/05.05.22	42 BCN/ BCNHS	Wheat	TBN	MGPV	P	13.06.22	1,199	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
90	45/06.05.22	42 BCN/ BCNHS	Wheat	TBN	MDCC	P	20.06.22	1,143	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
91	46/07.05.22	42 BCN/ BCNHS	Wheat	TBN	MDCC	P	27.06.22	1,143	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
92	47/07.05.22	42 BCN/ BCNHS	Wheat	TBN	MDCC	P	27.06.22	1,143	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
93	48/07.05.22	42 BCN/ BCNHS	Wheat	TBN	MDCC	P	23.05.22	1,143	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
94	49/07.05.22	42 BCN/ BCNHS	Wheat	TBN	MGPV	P	27.06.22	1,199	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
95	50/07.05.22	42 BCN/ BCNHS	Wheat	TBN	KNGK	P	09.05.22	1,234	130A	1,556.6	2,604	40,53,386	0	6,08,008	2,02,669	52,080	49,16,144	6,08,008
96	51/10.05.22	42 BCN/ BCNHS	Wheat	TBN	KNGK	P	16.05.22	1,234	130A	1,556.6	2,604	40,53,386	0	6,08,008	2,02,669	52,080	49,16,144	6,08,008
97	52/10.05.22	42 BCN/ BCNHS	Wheat	TBN	AKPK	P	13.05.22	1,323	130A	1,671.3	2,604	43,52,065	0	6,52,810	2,17,603	1,04,160	53,26,638	6,52,810
98	2/28.03.22	42 BCN/ BCNHS	Wheat	TBN	GIMB	P	01.04.22	1,070	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
99	3/29.03.22	42 BCN/ BCNHS	Wheat	TBN	GIMB	P	04.04.22	1,070	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
100	13/09.04.22	42 BCN/ BCNHS	Wheat	TBN	MGPV	P	25.04.22	1,199	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
101	14/09.04.22	42 BCN/ BCNHS	Wheat	TBN	MGPV	P	06.05.22	1,199	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
102	15/09.04.22	42 BCN/ BCNHS	Wheat	TBN	MGPV	P	22.04.22	1,199	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972

Annexure 2.3
Statement showing loss of earning due to Cancellation of Premium indent
(Reference Paragraph: 2.6)

Sr. No.	Indent No. & Date	No. of Wagons	Commodity	From	Destination	Type of Indent	Date of Cancellation	Distance (Km)	Class	Rate (₹)	Average weight (Tonne)	Freight (₹)	Busy Season Surcharge (₹)	Premium Indent Charge (15% of NTR) (₹)	Development Surcharge (₹)	OTC & DTC (₹)	Total Freight (₹)	Total loss of Earning due to Cancellation of Premium Indent (₹)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
103	15/09.04.22	42 BCN/ BCNHS	Wheat	TBN	MGPV	P	29.04.22	1,199	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
104	18/13.04.22	42 BCN/ BCNHS	Wheat	TBN	KDLP	P	15.04.22	1,082	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
105	19/13.04.22	42 BCN/ BCNHS	Wheat	TBN	GIMB	P	15.04.22	1,070	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
106	22/15.04.22	42 BCN/ BCNHS	Wheat	TBN	KDLP	P	18.04.22	1,082	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
107	23/15.04.22	42 BCN/ BCNHS	Wheat	TBN	GIMB	P	18.04.22	1,070	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
108	25/18.04.22	42 BCN/ BCNHS	Wheat	TBN	MDCC	P	22.04.22	1,143	130A	1,441.3	2,604	37,53,145	0	5,62,972	1,87,657	52,080	45,55,854	5,62,972
109	04/29.03.22	42 BCN/ BCNHS	Wheat	TBN	KDLP	P	01.04.22	1,082	130A	1,325.5	2,604	34,51,602	0	5,17,740	1,72,580	1,04,160	42,46,082	5,17,740
												41,02,42,748				Total Freight =	**50,04,41,010**	**6,15,87,252**

Source: Indent Register maintained by CGS (ET, HD, BPF, TBN)

Say ₹ 6.15 crore

Annexure 3.1

Statement showing License fee short recovered from Kamlapati Tripathi Inter College, Varanasi
(Reference Paragraph: 3.1)

Sl. No	Period	Area of land (in Sqm)	Rate of land per Sqm (₹)	Value of land (₹)	License fee recoverable (₹)	License fee received (₹)	Amount Short Recovered (₹)
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
1	2011-12	5,849.30	8,500	4,97,19,050	29,83,143	200	**29,82,943**
2	2012-13				31,91,963	200	**31,91,763**
3	2013-14				34,15,400	200	**34,15,200**
4	2014-15				36,54,478	200	**36,54,278**
5	2015-16				39,10,291	200	**39,10,091**
6	2016-17				41,84,011	200	**41,83,811**
7	2017-18				44,76,892	200	**44,76,692**
8	2018-19				47,90,274	200	**47,90,074**
9	2019-20				51,25,593	200	**51,25,393**
10	2020-21				54,84,385	200	**54,84,185**
11	2021-22				58,68,292	200	**58,68,092**
12	2022-23	(Upto 30.09.2022)			31,39,536	200	**31,39,336**
						Total	**5,02,21,858**

Note:

1. Railway Board in its letter No. 2002/LML/21/16 dated 10 April 2003 has directed that in old cases of land allotted to the schools, where licence period has not expired, licence fee may be continued at nominal licence fee for remaining period (of agreement) or 10 years whichever is earlier. As such, taking a conservative view, short recovery of licence fee has been worked out from 2011-12 i.e. after 10 years from RB's directives of November 2001 assuming that Lucknow Railway Administration has a valid agreement with school authorities.

2. Rate of land has been taken from the circle rate w.e.f 01 September 2011 available on UP govt. website, Mulyankan Suchi.

3. The land license fee has been increased at the rate of 7 *per cent* in terms of Para 5.2 of Railway Board letter no. 2005/LML/18/8 dated 10 February 2005.

4. Licence Fee for 2022-23 has been restricted upto 30.9.2022 as thereafter policy directives has been revised vide Railway Board's letter No. 2021/LML/25/5 dated 04 October 2022

5. Figures of Licence fee received were not available for all the years. However, for conservative calculations, the licence fee received has been stated on the basis of available record for the remaining years also.

Annexure 3.2
Statement showing License fee short recovered from Gandhi Vidhyalaya, Lucknow
(Reference Paragraph: 3.1)

Sl. No	Period	Area of land (in Sqm)	Rate of land per Sqm (₹)	Value of land (₹)	License fee recoverable (₹)	License fee received (₹)	Amount Short Recovered (₹)
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
1	2011-12	4,203.00	8,500	3,57,25,500	21,43,530	200	**21,43,330**
2	2012-13				22,93,577	200	**22,93,377**
3	2013-14				24,54,127	200	**24,53,927**
4	2014-15				26,25,916	200	**26,25,716**
5	2015-16				28,09,730	200	**28,09,530**
6	2016-17				30,06,411	200	**30,06,211**
7	2017-18				32,16,860	200	**32,16,660**
8	2018-19				34,42,040	200	**34,41,840**
9	2019-20				36,82,983	200	**36,82,783**
10	2020-21				39,40,792	200	**39,40,592**
11	2021-22				42,16,647	200	**42,16,447**
12	2022-23	(Upto 30.09.2022)			22,55,906	200	**22,55,706**
						Total	**3,60,86,119**

Note:

1. Railway Board in its letter No. 2002/LML/21/16 dated 10 April 2003 has directed that in old cases of land allotted to the schools, where licence period has not expired, licence fee may be continued at nominal licence fee for remaining period (of agreement) or 10 years whichever is earlier. As such, taking a conservative view, short recovery of licence fee has been worked out from 2011-12 i.e. after 10 years from RB's directives of November 2001 assuming that Lucknow Railway Administration has a valid agreement with school authorities.

2. Rate of land has been taken from the circle rate w.e.f 01 September 2011 available on UP govt. website, Mulyankan Suchi.

3. The land license fee has been increased at the rate of 7 *per cent* in terms of Para 5.2 of Railway Board letter no. 2005/LML/18/8 dated 10 February 2005.

4. Licence Fee for 2022-23 has been restricted upto 30.9.2022 as thereafter policy directives has been revised vide Railway Board's letter No. 2021/LML/25/5 dated 04 October 2022.

5. Figures of Licence fee received were not available for all the years. However, for conservative calculations, the licence fee received has been stated on the basis of available record for the remaining years also.

Annexure 3.3
Statement showing License short recovered from Railway Higher Secondary School, Lucknow
(Reference Paragraph: 3.1)

Sl. No	Period	Area of land (in Sqm)	Rate of land per Sqm (₹)	Value of land (₹)	License fee recoverable (₹)	License fee received (₹)	Amount Short Recovered (₹)
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
1	2011-12	2,700.00	5,000	1,35,00,000	8,10,000	600	**8,09,400**
2	2012-13				8,66,700	600	**8,66,100**
3	2013-14				9,27,369	600	**9,26,769**
4	2014-15				9,92,285	600	**9,91,685**
5	2015-16				10,61,745	600	**10,61,145**
6	2016-17				11,36,067	600	**11,35,467**
7	2017-18				12,15,592	600	**12,14,992**
8	2018-19				13,00,683	600	**13,00,083**
9	2019-20				13,91,731	600	**13,91,131**
10	2020-21				14,89,152	600	**14,88,552**
11	2021-22				15,93,393	600	**15,92,793**
12	2022-23	(Upto 30.09.2022)			8,52,465	600	**8,51,865**
Total							**1,36,29,982**

Note:

1. Railway Board in its letter No. 2002/LML/21/16 dated 10 April 2003 has directed that in old cases of land allotted to the schools, where licence period has not expired, licence fee may be continued at nominal licence fee for remaining period (of agreement) or 10 years whichever is earlier. As such, taking a conservative view, short recovery of licence fee has been worked out from 2011-12 i.e. after 10 years from RB's directives of November 2001 assuming that Lucknow Railway Administration has a valid agreement with school authorities.

2. Rate of land has been taken from the circle rate w.e.f 01 September 2011 available on UP govt. website, Mulyankan Suchi.

3. The land license fee has been increased at the rate of 7 *per cent* in terms of Para 5.2 of Railway Board letter no. 2005/LML/18/8 dated 10 February 2005.

4. Licence Fee for 2022-23 has been restricted upto 30.9.2022 as thereafter policy directives has been revised vide Railway Board's letter No. 2021/LML/25/5 dated 04 October 2022.

5. Figures of Licence fee received were not available for all the years. However, for conservative calculations, the licence fee received has been stated on the basis of available record for the remaining years also.

Annexure 3.4
Statement showing License short recovered from Bal Sahyog School, Shivaji Bridge, New Delhi
(Reference Paragraph: 3.1)

S. No	Period	Area of land (in Sqm)	Rate of land per Sqm (₹)	Value of land (₹)	License fee recoverable (₹)	License fee received (₹)	Amount Short Recovered (₹)
1	2	3	4	5=3*4	6=0.06*S. No. 5	7	8
1	2003-2004	1263.24	57,960	7,32,17,274	43,93,036	5,000	43,88,036
2	2004-2005		36,000	4,54,76,568	27,28,594	5,000	27,23,594
3	2005-2006		36,000	4,54,76,568	27,28,594	5,000	27,23,594
4	2006-2007		43,200	5,45,71,882	32,74,313	5,000	32,69,313
5	2007-2008		47,520	6,00,29,070	36,01,744	5,000	35,96,744
6	2008-2009		68,200	8,61,52,832	51,69,170	5,000	51,64,170
7	2009-2010		68,200	8,61,52,832	51,69,170	5,000	51,64,170
8	2010-2011		68,200	8,61,52,832	51,69,170	5,000	51,64,170
9	2011-2012		1,36,400	17,23,05,663	1,03,38,340	5,000	1,03,33,340
10	2012-2013		2,72,800	34,46,11,326	2,06,76,680	5,000	2,06,71,680
11	2013-2014		4,09,200	51,69,16,990	3,10,15,019	5,000	3,10,10,019
12	2014-2015		4,09,200	51,69,16,990	3,10,15,019	5,000	3,10,10,019
13	2015-2016		4,91,040	62,03,00,388	3,72,18,023	5,000	3,72,13,023
14	2016-2017		4,91,040	62,03,00,388	3,72,18,023	5,000	3,72,13,023
15	2017-2018		4,91,040	62,03,00,388	3,72,18,023	5,000	3,72,13,023
16	2018-2019		4,91,040	62,03,00,388	3,72,18,023	5,000	3,72,13,023
17	2019-2020		4,91,040	62,03,00,388	3,72,18,023	5,000	3,72,13,023

Annexure 3.4

Statement showing License short recovered from Bal Sahyog School, Shivaji Bridge, New Delhi

(Reference Paragraph: 3.1)

S. No	Period	Area of land (in Sqm)	Rate of land per Sqm (₹)	Value of land (₹)	License fee recoverable (₹)	License fee received (₹)	Amount Short Recovered (₹)
1	2	3	4	5=3*4	6=0.06*S. No. 5	7	8
18	2020-2021		4,91,040	62,03,00,388	3,72,18,023	5,000	3,72,13,023
19	2021-2022		3,92,832	49,62,40,310	2,97,74,419	5,000	2,97,69,419
20	2022-2023		3,92,832	49,62,40,310	1,48,87,209	5,000	1,48,82,209
						Total	**39,31,48,615**

Note:

1. Short recovery has been worked out from 2003-04after issue of the Railway Board's letter No. 2002/LML/21/16 dated 10 April 2003 regarding methodology for revision of nominal licence fee of Railway Land to Kendriya Vidhyalyas, all other school and Welfare Organisations.

2. Rate of land has been taken from the circle rate of Andhra Education Society, New Delhi.

3. Licence Fee for 2022-23 has been restricted upto 30.9.2022 as thereafter policy directives has been revised vide Railway Board's letter No. 2021/LML/25/5 dated 04 October 2022.

Annexure 3.5

Statement showing State-wise non-recovery of contribution towards DMF during January 2015 to March 2024 in respect of SER, SWR, NCR, ECoR, ER, NWR, SECR, WCR and CR

(Reference Paragraph: 3.2)

Sl. No.	Railway	Name of the State	Office involved	No. of Bills	Rates of DMF as fixed by the State Government	Period	Amount involved (₹ in crore)
1	2	3	4	5	6	7	8
1	SER	Odisha	Dy.CE/CON/Jharsuguda Dy.CE/CON/Rourkela	617	30 *per cent*	January 2016 to March 2023	10.89
		West Bengal	Dy.CE/CON/Kharagpur Dy.CE/CON/GRC Dy.CE/CON/Adra	473			
2	SWR	Karnataka	Dy.CE/CON/SBC Sr.DEN/Co-ord/SBC Sr.DEN/Co-ord/Mysuru	552	30 *per cent*	April 2018 to March 2023	23.49
		Andhra Pradesh	Dy.CE/CON/SBC	46			
3	NCR	Uttar Pradesh	AGC Division,JHS Division, PRYJ Division Construction AGC,PRYJ,JHS	259	10 *per cent*	April 2017 to March 2024	2.71
		MP	AGC Div, JHS Div, JHS Const.	108			
		RJ	AGC, Div and JHS const.	4			

Annexure 3.5

Statement showing State-wise non-recovery of contribution towards DMF during January 2015 to March 2024 in respect of SER, SWR, NCR, ECoR, ER, NWR, SECR, WCR and CR

(Reference Paragraph: 3.2)

Sl. No.	Railway	Name of the State	Office involved	No. of Bills	Rates of DMF as fixed by the State Government	Period	Amount involved (₹ in crore)
1	2	3	4	5	6	7	8
4	ECoR	Odisha	Dy.CE/CON-I/BBS Dy.CE/CON-II/BBS Dy.CE/CON/SBP Dy.CE/CON/JJKR Dy.CE/CON/RGDA	1,002	30 *per cent*	April 2016 to March 2023	13.79
		Andhra Pradesh	Dy.CE/CON-I/VSKP Dy.CE/CON-III/VSKP	238			
5	ER	West Bengal/ Jharkhand	Dy.CE/CON/I/ASN	24	30 *per cent*	January 2021 to January 2024	0.53
6	NWR	Rajasthan	Sr.DEN/Jaipur	3,913	10 *per cent*	January 2015 to June 2023	0.39
7	SECR	Chattisgarh	Dy.CE/Brajrajnagar	1	10 *per cent*	April 2023 to March 2024	0.05
8	WCR	Rajasthan	Kota Division	2	10 *per cent*	April 2016 to February 2024	1.21
		Madhya Pradesh	Bhopal Division Jabalpur Division Construction Bhopal Construction Jabalpur	335			

Annexure 3.5

Statement showing State-wise non-recovery of contribution towards DMF during January 2015 to March 2024 in respect of SER, SWR, NCR, ECoR, ER, NWR, SECR, WCR and CR

(Reference Paragraph: 3.2)

Sl. No.	Railway	Name of the State	Office involved	No. of Bills	Rates of DMF as fixed by the State Government	Period	Amount involved (₹ in crore)
1	2	3	4	5	6	7	8
9	CR	Maharashtra	Dy.CE/Dadar Dy.CE/Panvel Dy.CE/Ghatkopar	147	10 *per cent*	March 2017 to March 2024	2.45
Total				**7,721**			**55.51**

Source: Running Account Bills and Contractors Ledger maintained at respective offices

Note:

Dy.CE – Deputy Chief Engineer	BBS - Bhubaneswar
Sr.DEN - Senior Divisional Engineer	SBP - Sambalpur
CON - Construction	JJKR - Jajpur-Keonjhar Road
Co-ord - Co-ordination	RGDA-Rayagada
GRC - Garden Reach	VSKP-Visakhapatnam
SBC – Bengaluru	ASN – Asansol
JHS – Jhansi	PRYJ - Prayagraj
AGC – Agra Cantonment	

Annexure 3.6

Statement showing the loss towards non-claiming of Maintenance & Inspection Charges due to non-execution of the Agreement with CONCOR Siding Authorities from 1/4/2017 to 31/3/2024

(Reference Paragraph: 3.8)

Name of the Zone/ ICD of CONCOR	Period		Rate of Maintenance & Inspection Charges (₹)	Total length of Track of the Siding maintained by Railways (Km)	Total amount of Maintenance & Inspection Charges (₹)	Remarks
	From	To				
1	2	3	4	5	6	7
NEFR/ Amingaon	1/4/2017	31/3/2018	34,23,600.00	3.5	1,19,82,600.00	GM (W)/MLG Letter No. W/338/0/ MC/ W-I/PL/Works dated 15-03-2018. The rate mentioned is inclusive of Inspection charges and charges for points and crossings (24,29,000+23,000+4 Points & Crossings x 2,42,900)
	1/4/2018	31/3/2019	37,65,960.00	3.5	1,31,80,860.00	
	1/4/2019	31/3/2020	41,42,556.00	3.5	1,44,98,946.00	
	1/4/2020	31/3/2021	45,56,811.60	3.5	1,59,48,840.60	
	1/4/2021	31/3/2022	50,12,492.76	3.5	1,75,43,724.66	
	1/4/2022	31/3/2023	55,13,742.04	3.5	1,92,98,097.14	
	1/4/2023	31/3/2024	60,65,116.24	3.5	2,12,27,906.84	
				Total	**11,36,80,975.24**	
SCR/New Guntur	1/4/2017	31/3/2018	14,71,420.50	1	14,71,420.50	
	1/4/2018	31/3/2019	16,18,562.55	1	16,18,562.55	
	1/4/2019	31/3/2020	17,80,418.81	1	17,80,418.81	
	1/4/2020	31/3/2021	19,58,460.69	1	19,58,460.69	
	1/4/2021	31/3/2022	21,54,306.76	1	21,54,306.76	
	1/4/2022	31/3/2023	23,69,737.44	1	23,69,737.44	
	1/4/2023	31/3/2024	26,06,711.18	1	26,06,711.18	
	Total				**1,39,59,617.93**	
Grand Total					**12,76,40,593.17**	
					Say ₹ 12.76 crore	

Annexure 3.7
Statement showing recent available rates in the same or adjacent area
(Reference Paragraph: 3.11)

Description of work	CA NO. & Date	Prevailing rate	Average rate
1	**2**	**3**	**4**
Manufacture, Supply & Stacking of 50mm hard durable machine crushed Track Ballast from Private Quarry	CA No: SE/10 dated 13.01.2018 of Lumding Division under SSE (P.Way)/LMG of Open Line	₹1,924.377 per *cum* (₹2,025.66 per *cum* – 5 *per cent* below, *i.e.*, ₹101.28) (Schedule D of Item No. NS – I)	₹2,057.63 per *cum* [(1,924.377 + 2,121.60 + 2,126.94)/3]
	CA No: SE/211(A) dated 27.11.2018 of LMG – CNE Section at Langting under LMG Division of Open Line	₹2,121.60 per *cum* (₹2,619.26 – 19 *per cent* below, *i.e.*, ₹497.66) (Schedule A of Item No: NS – I)	
	CA No. SE/182 dt. 08.10.2018 of Jagiroad, Chaparmukh, etc. locations under LMG Division of Open Line: ₹ 2,126.94/- per *cum*	₹2126.94 per *cum* (₹2,025.66 + 5 *per cent* above, i.e., ₹101.28) (Schedule C, NSR Item)	

Source: (i) Copy of Contract Agreement, (ii) Minutes of TC meeting.

Annexure 3.8
Statement showing loss incurred by Railway Administration due to procurement of machine crushed track ballast at a higher rate
(Reference Paragraph: 3.11)

Description of work under CA dated 24 May 2019	Quantities as per CA	Estimated rate at tendering stage (₹)	Estimated higher rate calculated on the basis of average of LARs by the TC (₹)	Rates quoted by the contractor and finalised (₹)	Rates that should have been considered by Railway Administration based on the prevailing LARs of the same or adjacent areas of the work location (₹)	Difference of rates (₹)	Loss incurred by Railway Administration due to award of contract at higher rate (₹)
1	**2**	**3**	**4**	**5**	**6**	**7 (Col.5 (-) Col.6)**	**8 (Col.2 (x) Col.7)**
Manufacture, Supply & Stacking of 50mm hard durable machine crushed Track Ballast from Private Quarry (NS-1, Schedule-A, NSR Items)	1,73,950 *cum*	2,383.33 per *cum*	2,800.12 per *cum*	2,597.83 per *cum*	2,057.63 per *cum*	540.20 per *cum*	9,39,67,790 or ₹ 9.40 crore

Source: (i) Copy of Contract Agreement, (ii) Quotation of rates for preparation of estimated rate, (iii) Minutes of TC meeting, and (iv) Copies of relevant CAs

ABBREVIATIONS

Abbreviations

Abbreviation	Full Form
AGM	Additional General Manager
AIEHC	All India Engine Hour Cost
AMJ	Amingaon
APJG	M/s. Adani Power (Jharkhand) Limited of East Central Railway
ATN	Action Taken Note
ATRs	Action Taken Reports
BCSK	Bina Private Siding
BAW	Chikbanavar
BG	Broad Gauge
BLW	Banaras Locomotive Works
BNC	Bengaluru Cantonment
BPC	Brake Power Certificate
BPF	Banapura
CAs	Contract Agreements
CAO/C/SC	Chief Administrative Officer/Construction/ Secunderabad
CE/C-IV/SC	Chief Engineer (Construction-IV), Secunderabad
CEGE	Chief Electrical General Engineer
CFTM/ER	Chief Freight Transportation Manager/Eastern Railway
CGST	Central Goods and Services Tax
CPTM/ER	Chief Passenger Transportation Manager/Eastern Railway
CHJD	Chennai Harbour Jawahar Docks
CIDCO	City Industrial Development Corporation
CKYR	Khodiyar
CLW	Chittaranjan Locomotive Works
CMCP	Chettinad Mangalore Coal Terminal Private Limited Panamburu
CME/Plg.	Chief Mechanical Engineer/Planning
COFMOW	Central Organisation for Modernisation of Workshops
CONCOR	Container Corporation of India Limited
COM	Chief Operations Manager
CPDE	Chief Planning and Design Engineer
CR	Central Railway
CRB-CEO	Chairman, Railway Board & Chief Executive Officer
CRS	Commissioner of Railway Safety
CSDR	Chennasandra
CSP	Concrete Sleeper Plant

Abbreviation	Full Form
CSTE	Chief Signalling and Telecom Engineer
CTPM	Chief Traffic Planning Manager
CWE	Chief Workshop Engineer
CWM/LLH	Chief Workshop Manager/Liluah
DBRT	Dibrugarh Town
DEC	Divisional Empowered Committee
DFCCIL	Dedicated Freight Corridor Corporation of India Limited
DFM	Divisional Finance Manager
DG	Dindigul Jn.
DGGI	Directorate General of Goods and Services Tax Intelligence
DHN	Dhanbad Jn.
DOT	Department of Communications
DRM	Divisional Railway Manager
DSR	Daily Supply/Summary Register
Dy. FA&CAO/C/SC	Deputy Financial Advisor and Chief Accounts Officer (Construction), Secunderabad
ECR	East Central Railway
ECoR	East Coast Railway
EIMWB	Electronic in Motion Weighbridge
ELTS	Electric Loco Trip Shed
ER	Eastern Railway
EMU	Electrical Multiple Unit
EnHM	Environment and Health Management
ESP	Engineering Scale Plan
ET	Itarsi
FA & CAO	Financial Adviser & Chief Accounts Officer
FCZ	First class
FGTP	Feroz Gandhi Thermal Project Siding
FKG	Furkating
FOIS	Freight Operating Information System
GAD	General Arrangement Drawing
GCC	General Conditions of Contract
GDR	Guard Driver Report
GHY	Guwahati
GM	General Manager
GoAP	Government of Andhra Pradesh
GoK	Government of Karnataka
GoM	Government of Maharashtra
GP	Rajgangpur

Abbreviation	Full Form
GST	Goods and Service Tax
GTL	Guntakal
HAS	Hassan
HD	Harda
ICD	Inland Container Depot
ICF	Integral Coach Factory
IR	Indian Railways
IRCM	Indian Railway Commercial Manual
IRPSM	Indian Railways Projects Sanctions & Management
IRSGCC	Indian Railway Standard General Conditions of Contract
ITC	Input Tax Credit
JPO	Joint Procedure Order
JSEB	Jharkhand State Electricity Board
JSWT	JSW Steel Limited
KIR	Katihar
KJM	Krishnarajapuram
KRR	Karur
LAR	Last Accepted Rates
LC	Level Crossings
LHB	Linke Hofmann Busch
LHS	Limited Height Subway
LMG	Lumding
LOA	Letter of Acceptance
MAPD	M/s. Adani Petronet (Dahej) Port Limited
MAS	Chennai Central
MCSI	JSW Steel Limited Siding
MCTP	Mangalore Coal Terminal Private Limited, Panamburu
MDU	Madurai
MEJ	Vanchi Maniyachi
MEMU	Mainline Electric Multiple Unit
MG	Meter Gauge
MGSJ	Magnesite Junction
MLR	Mid-life Rehabilitation
MMDR	Mines and Minerals (Development and Regulation)
MoF	Ministry of Finance
MoR	Ministry of Railways
MoU	Memorandum of Understanding
MPPCL	Madhya Pradesh Power Corporation Limited
MTP	Mettupalayam

Abbreviation	Full Form
MT	Metric Tonne
NCR	North Central Railway
NCJ	Nagercoil
NDN	Nardana
NFR	Northeast Frontier Railway
NFRCON	Northeast Frontier Railway Construction Organisation
NGNT	New Guntur
NI	Non-interlocking
NMR	Nilgiri Mountain Railway
NNGE	Narangi
NTKM	Net Tonne-Kilometer
NTR	Normal Tariff Rate
NWR	North Western Railway
OCIG	Orissa Cement Ltd. Siding at Rajgangpur
OD	Origin Destination
ONR	Coonoor
OL	Open Line
PAC	Public Accounts Committee
PCC	Permissible Carrying Capacity
PCCM	Principal Chief Commercial Manager
PCE	Principal Chief Engineer
PCME	Principal Chief Mechanical Engineer
PCOM	Principal Chief Operations Manager
PFA	Principal Financial Adviser
PLW	Patiala Locomotive Works
PNMN	New Mangalore Port Siding, Panamburu
POH	Periodical Overhauling
PWD	Public Works Department
PWP	Preliminary Works Programme
QLR	Kallar
RB	Railway Board
RDSO	Research, Design and Standards Organisation
RE & FME	Revised Estimates and Final Modification Estimates
RE	Railway Electrification
ROB	Road Over Bridge
RSP	Rolling Stock Programme
RUB	Road Under Bridge
RWF	Rail Wheel Factory
RWP	Rail Wheel Plant
S&T	Signal and Telecommunication

Abbreviation	Full Form
SA	Salem
SAC	Service Accounting Code
SBC	KSR Bengaluru City
SCE	Senchoa Junction
SCR	South Central Railway
SCZ	Second class
SEBs	State Electricity Boards
SER	South Eastern Railway
SECR	South East Central Railway
SHTT	Silghat Town
SR	Southern Railway
Sr. DEE/G	Sr. Divisional Electrical Engineer/General
Sr. DSTE/GTL	Senior Divisional Signal and Telecommunications Engineer/Guntakal
Sr. DCM	Senior Divisional Commercial Manager
Sr. DOM	Senior Divisional Operations Manager
Sr. DSTE	Senior Divisional Signal and Telecom Engineer
Sr. DOM/SDAH	Senior Divisional Operations Manager/Sealdah
SSPN	Satya Sai Prasanthi Nilayam
STS	Station-to-Station Rates
SWR	South Western Railway
TBN	Timarni
TC	Tender Committee
TVUs	Train Vehicle Units
UAM	Udagamandalam
UCSD	Ultratech Cement Limited Siding at Dhutra
UPPCL	Uttar Pradesh Power Corporation Limited
VHF	Very High Frequency
VPT	Virudunagar Jn.
WCNA	M/s Wonder Cement Limited (taking off from Nardana) of Western Railway
WCR	West Central Railway
WCSG	Wonder Cement Siding of Western Railway
WOL	Wireless Operating License
WPA	West Port Siding of Western Railway
YNK	Yelahanka
ZR	Zonal Railway

www.cag.gov.in

https://cag.gov.in/en/page-ar-no5-2025

Union Government (Ministry of Railways) - Report No. 5 of 2025